THE

PEOPLE'S BLUE BOOK:

TAXATION AS IT IS,

AND AS IT OUGHT TO BE;

WITH

A PRACTICAL SCHEME OF TAXATION.

"The object of THE PEOPLE'S BLUE BOOK is, that every man and woman in the kingdom may have in their own hands, the means of knowing what they *are paying* to Government for the protection of their persons and property, and what they *ought to pay*."

"THE WELFARE OF THE PEOPLE IS THE HIGHEST LAW."

Third Edition, Enlarged.

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LONDON:
ROUTLEDGE, WARNE, AND ROUTLEDGE,
FARRINGDON STREET.
1862.

In other respects little more than the name of this Work has been preserved in this Third Edition. Nearly the whole has been re-written.

It is some satisfaction to the Author to think that, he has 'cast his bread upon the waters,' and that it has been found in the uttermost parts of the world. But this—like most worldly satisfactions—is mingled with disappointment.

His gift was intended by him for the poorer classes of his own countrymen, for whom he feels most concern. But they seem to have been the least careful to take it, and to care the least for it when they got it.

It seems to be less known in this country than in some of our most distant Colonies,—less known than in France and Belgium, and other parts of the Continent of Europe.

But still, there are many among the upper classes in our own country,—some in high position as Statesmen,—some of high reputation as Political Economists, —and others eminent for their learning, who have directed their thoughtful minds to this small Volume with encouraging approval.

The Author, thus encouraged, again, for the third, and, probably, last time,—

"Casts his bread upon the waters."

The following Return, received too late to be introduced in its proper place, is here added, to bring down the state of the Customs Duties to the present time.

CUSTOM HOUSE DUTIES.

A Return of "CUSTOM HOUSE DUTIES Repealed during the Ten Years from 1852 to 1862, the produce of each of which, during the Year preceding its Repeal, exceeded £10,000; specifying the Receipt from each such Duty during the last Year of its Collection, distinguishing such as were repealed in accordance with the Provisions of the Treaty with France."

Years.	Articles the Customs Duties on which were wholly Repealed in the Ten Years from 1852 to 1861 inclusive, and the Net Receipt on each of which exceeded £10,000 in the Year preceding that in which the Repeal took place.	Net Receipt of Duty in the Year preceding the Repeal thereof.
		£.
1852 . . .	None	Nil.
1853 . . .	Seeds, Clover	25,083
1854 to 1859	None	Nil.
1860 . . .	Butter	104,321
	Cheese	49,395
	Eggs	24,721
	*Flowers, Artificial	19,138
	*Leather Manufactures	73,719
	*Musical Instruments	12,276
	Nutmegs	13,026
	Nuts, Small, and Walnuts . . .	14,329
	*Oils, Chemical, Essential, or Perfumed .	11,498
	Oranges and Lemons	35,656
	Platting for Hats or Bonnets . .	14,385
	Rice	25,060
	*Silk Manufactures	307,244
	Tallow	74,942
	*Watches	16,242
1861 . . .	None	Nil.
	Aggregate Annual Receipt on Articles individually yielding £10,000 and upwards to the Customs Revenue, the Duties on which were repealed in the ten years from 1852 to 1861 inclusive	£821,035

* The Duties on the articles thus marked were repealed in accordance with the provisions of the Treaty with France.

Office of the
Inspector General of Imports and Exports
Custom House, London, 15 July, 1862.

John A. Messenger.

PREFACE

TO

THE SECOND EDITION.

THE Author of "The People's Blue Book" has little to add beyond the expression of his satisfaction at the quick demand for a Second Edition.

The errors, and imperfections, whatever they are, must be pointed out, before they can be removed.

The few critical remarks which have been made, show but a very imperfect knowledge of the scope, and object, of the work.

The Author did not expect to be called upon to say, that it is no part of his proposal "to throw the great burden of taxation upon real estate." Not only has he not proposed anything like this, but quite the contrary. The whole book proposes, and advocates, the equal taxation of all *realised* property; and shows that, under the proposed new system of *direct* taxation of *realised* property, no undue proportion of the taxation of the country would be thrown on real estate, and that the owners of real estate, as well as of all oth

descriptions of realised property, would thereby be greatly relieved from the present pressure of taxation, whilst all those numerous classes who are dependent on their industry, and skill, for their means of daily subsistence, would be entirely free from every tax on property, and would contribute only their equal proportion of the expenses of the State for the protection of their persons, and the maintenance of that social order in which all classes are equally interested.

For this purpose the Author proposes one new Tax—a Capitation Tax—not the old Poll Tax of the feudal ages, but a Capitation Tax, *fixed* at the annual sum of 20*s*. payable by all classes, of both sexes, of the age of fourteen years, and upwards.

It seems only reasonable that all who are equally interested in the protection of their persons, should pay equally for that protection; and the Author can see nothing in this to remind any one of the feudal ages, or of Wat Tyler; for, beyond the name, there is not one point of similarity between the Capitation Tax now proposed, and the Poll Tax of those bygone times.

It is the duty of every man to consider how he can honestly do the best for himself, his family, and his country. If, therefore, he will inform himself of *what he is actually paying* to the Government, and will fairly consider whether that be *what he ought to pay;* and if this book should be any help, and guide, to the

hard working classes, who bear the heaviest portion of the taxation, in forming a correct judgment on these two important questions, the object of the Author of "The People's Blue Book" will have been attained.

It only remains for the Author, who wishes to preserve his *incognito*, thus to acknowledge, and return his thanks for,—the numerous commendatory letters with which he has been favoured, through his publishers, both in this country, and from abroad. Two, only, of these, he will more particularly refer to; one being from one of the most eminent, and intelligent, of the merchants in the City of London (whose name the Author does not consider himself at liberty to publish), who, after expressing the satisfaction with which he has read "The People's Blue Book," writes as follows:—"More than one influential friend has spoken to me in high terms of its utility, and research. I wish I could think that the doctrines of truth that it teaches were near realisation; but it paves the way to a change of public opinion, and that, after all, is as much as can be done at present.

"The hatred to the inquisition of a clumsy, and unjust tax on INCOME, is confounded with, and mistaken for, a dislike to the principles of direct, as opposed to indirect, taxation, by nearly every class of society. Our governing classes encourage this—first, because it saves, or they think it saves, their own pockets; and, secondly, and mainly, because it gives

[illegible]

[illegible]

[illegible]

traced, in faint outline, the initial steps in what might prove a thorough, and all-embracing reform; without unsettling any part of our social system, without any startling innovation, and without the possibility of revolution. To some these words may sound Utopian. But to the calm, and reflecting mind, it will not seem an impossibility, that a system of government founded on truth, and justice, and carried on with freedom, may yet achieve triumphs unexampled, perhaps never dreamed of, in the history of the world. To have pointed out the way, and shown the first steps to this, is something, and as much as the Author of "The People's Blue Book" proposes.

For the omission which has been made in this Second Edition, near the end of the Concluding Observations, and for the addition substituted, a few words of explanation will be sufficient. For the omission, it is sufficient to say that, on one important part a construction has been placed quite different from the Author's views, and meaning; and, therefore, to avoid the risk of misconstruction, or anything like theological discussion, in a work professing to treat of Taxation, he preferred omitting the whole.

With regard to the substitution, he was induced to introduce this for the purpose of showing the connection of our Criminal Laws with our system of Taxation, and the great importance of reforming both at the same time; for, as it will be manifest to all who have given

much attention to these subjects, our present system of Taxation, by the misery which it inflicts, creates by far the greatest portion of the crimes which our laws so unmercifully, and, at the same time, so injuriously punish.

This book being an appeal to the understanding of the people, the Author has thought that these additions might bring the whole subject in a more complete form before them; and he is persuaded that, for finding the true remedy, they only want to have a right understanding of their own case.

The author has only to add that, for many important details he is indebted to the valuable Tracts circulated by the LIVERPOOL FINANCIAL REFORM ASSOCIATION. Being engaged on the book when those Tracts first came to his hands, in the summer of 1857, he availed himself of whatever he there found ready prepared, which suited his views; and it would have been scarcely possible, and certainly not convenient, to have made a distinct and separate acknowledgment of each extract, he therefore made his acknowledgment by a general reference. But he is so sensible of the great service rendered by those Tracts, and he so highly appreciates many of the principal objects of that Association, that he is desirous not only of making his own acknowledgment, but also, and which is of much more importance, of making known to others, as far as may be in his power, how greatly all classes in this country are indebted to the persevering labours of the LIVER-

POOL FINANCIAL REFORM ASSOCIATION, which is supported entirely by the voluntary contributions of the members. He wishes also to add his own conviction, that if all those who are desirous of seeing the reforms here advocated carried out, would join that Association, and would assist by their contributions, however small, to defray the unavoidable expenses of opening the eyes of the people to their actual position, the objects in view, for the benefit of all classes, would be speedily, and effectually, accomplished.

All experience proves that great changes are not to be effected without a great effort, made simultaneously by a great many people, all led on by one principle to one object; and experience equally proves, that efforts so made, seldom, or never, fail. It is, therefore, as absurd to deprecate Associations, as to deprecate the progress of Civilisation.

It seems as if it were ordained that great changes for good, or evil, should be effected by the united efforts of great associations of men; and that a discovery, however beneficial to mankind, by an individual, can be carried out only by multitudes united for the same object. The individual, whatever his discovery, whatever his power, can do little more than suggest. By a majority of the people only can his suggestion be carried out for extensive good; and for this purpose the people must form themselves into Associations, united for one common object. For this it is, otherwise, in vain to look to any Government.

If, therefore, the People would have tea for 1*s.* a pound, coffee for 6*d.* a pound, sugar for 2*d.* a pound, tobacco for 3*d.* a pound, the light, wholesome, and pleasant wines of France, and the Rhine, for 3*d.* a bottle, and all other wines, spirits, and all other articles of necessary consumption at prices reduced in the same proportion, they must abolish all Customs, and Excise, Duties, all Income Tax, all Assessed Taxes, and nearly all the Stamp Duties; and they must agree to have one Tax which will bear equally on all *realised* property, and leave every industrious working man in the kingdom to enjoy the produce of his own daily labor, free from all taxation.

Let every man in the kingdom, who desires this, enrol his name as a member of THE LIVERPOOL FINANCIAL REFORM ASSOCIATION, and let him add his contribution, however small, to the funds of that Association, and then no power in this country can prevail to prevent these results. The only question will then be a question of time; with steadfastness of purpose the people will not to have wait long; and then may the working classes in this country shine forth in the three orders of greatness,—Power, Intellect, and Goodness.

LONDON,

1st October, 1857.

PREFACE

TO

THE FIRST EDITION.

WHO is the Author of "THE PEOPLE'S BLUE BOOK?"

This is a question of no consequence to any one.

But he is one who has always felt a deep interest in their moral and temporal welfare; and it may be worth adding, as a voucher, that by his vote in favour of the first Reform Bill, under Lord Grey's Administration, he made the majority of ONE, by which that second "Bill of Rights" was carried in the House of Commons.

That he is still influenced by the same feeling, this work will be sufficient evidence.

He wishes, however, to make public acknowledgment of the assistance he has received in this undertaking from many writers, and, amongst others, first and foremost, that first and most distinguished master and teacher of political economy, as a science or art, Dr. Adam Smith, the author of "The Wealth of Nations."

Next in order of time, and pre-eminent in greatness

and worth, for piety and learning, that distinguished prelate, Archbishop Whately, the most accurate, profound, and practically useful thinker in modern, if not in any former times; and also eminent as a political economist, being formerly Professor of Political Economy in the University of Oxford.

Next, the late Mr. James Mill, the author of "The History of British India," and of several admirable works connected with political economy.

Also the late Dr. Chalmers, whose name proclaims his works.

Also that great philosopher and poet, the late Mr. S. T. Coleridge.

Also Mr. Tooke, whose great work, "The History of Prices," will be a lasting record of his indefatigable industry, and well-earned fame.

Also many of those useful tracts published by the Liverpool Financial Reform Association.

Also Mr. Mark A. Bourdin, for his compendious "Exposition of the Land Tax Acts."

Also Mr. Henry Ayres, the proprietor and editor of that very useful weekly periodical, called "The Banker's Circular and Financial Gazette," which, for its accurate and extensive information on prices of home and foreign markets, and on all financial and mercantile subjects of public interest, ought to be on the desk of every banking-house and counting-house in the kingdom.

And lastly, the Author wishes to notice, what to some readers may not be sufficiently apparent, that his object, in the "Concluding Observations," is to direct attention to the principles which should govern legislators in framing laws generally for human government. If many of the subjects there introduced should, at first sight, appear to be too abstract, or too discursive, and irrelevant to the immediate subject of taxation; it may, on deeper reflection, and in a higher and more enlarged view, be perceived, that the principles desired to be inculcated and impressed, are directly applicable, and essentially important, to all subjects of human action; and are, in truth, of far greater importance than the immediate subject of taxation, which, after all, is but a minor and very trifling detail in the great scheme of human government.

In the latter part of these observations may be discovered the foundation and strength of the whole; and for this, the Author wishes to acknowledge that he is much indebted to the clear, but profound thoughts collected and applied from the various scientific writings, known, perhaps, to but few readers in this country, of that great and good man, the Danish philosopher, Oersted, to whose penetrating insight into the laws of nature the world is indebted for the first suggestions which led to the discovery of the Electric Telegraph.

After these acknowledgments, it only remains for the Author to say that he is quite conscious of his many

imperfections for the work which he has undertaken; and that, though he has done the best in his power, and life is not long enough to do more than our best, whatever that may be, yet he is quite prepared to expect it will be shown that he has fallen into many errors in trade, and other details, for which he has been, in many instances, very much dependent on information received from others. But if he should ever be called upon to revise this work, he would gladly avail himself of any suggestions for alterations and amendments with which he may be favored, through his publishers, or through the public press. He might have waited until he had removed all imperfections, and corrected all inaccuracies. But they who have experienced the difficulties of collecting facts connected with trade, even from those who might be supposed to be best acquainted with their own particular branches of trade, will know, that to have waited so long, would have been to wait for ever. It has been said that "they who are ever taking aim make no hits; that they who never venture never gain; that to be ever safe is to be ever feeble; but that to do some substantial good is the compensation for much incidental imperfection."

It was a wise saying of that great compendium of worldly wisdom in his day, Dr. Johnson, that "Human experience, which is constantly contradicting theory, is the great test of truth. A system, built upon the

discoveries of a great many minds, is always of more strength than what is produced by the mere workings of any one mind, which, of itself, can do little. There is not so poor a book in the world that would not be a prodigious effort, were it wrought out entirely by a single mind, without the aid of prior investigators."

In the meantime, the Author submits this work, with all its imperfections, to the people, in the hope that, by their united and temperate efforts, the Legislature will be induced to revise the taxation of the country, and to carry out whatever reforms may be best for the nation, and for the well-being of the whole people.

LONDON,

21st August, 1857.

ADDRESS,

TO THE PUBLIC IN GENERAL, AND TO THE COUNCIL OF THE LIVERPOOL FINANCIAL REFORM ASSOCIATION IN PARTICULAR.

THE object of this Publication is sufficiently explained in the Title Page, but the occasion for this THIRD EDITION may require some further explanation.

The Financial Reform Association, which was established some years ago, at Liverpool, for the avowed object of advocating a revision of our system of Taxation, and the substitution of Direct for Indirect Taxes, —has ever since steadily pursued that object through good report, and bad report, and has earned the well merited praise of Mr. Cobden, in the following memorable words, spoken by him, in answer to the Address made to him, on his landing at Liverpool, from America, on the 29th June, 1859, by the President and Council of the Financial Reform Association :—

"I believe your principles to be sound, as sound as

those of the Anti-Corn-Law League; and I congratulate you, Gentlemen, on having, for years, kept this lamp burning in the midst of external darkness. You are very much to be honored for having, although in a small minority, kept up the advocacy of principles which you believe to be true, which I believe to be true, and which the people generally will more and more believe to be true."

How entirely the Author agrees with this opinion, will be known to all who are acquainted with "The People's Blue Book," first published in the year 1857. But the lamp which has been kept burning, still burns "*in the midst of external darkness.*" The Council of the Association, consisting chiefly of some of the most eminent Merchants of Liverpool, and other great Commercial Cities of the Empire, and presided over by Mr. Robertson Gladstone, (a name alone a sufficient guarantee to the British Public), with all the earnestness and intelligence which might have been expected.

But the light of the lamp which has been so kept burning, is still only partially diffused within a small circle.

The Principles of the Association have been fully discussed, and widely spread. But the response of the Public has been neither loud, nor general. On the contrary, it has been weak, and hesitating. Many have risen up, earnest supporters of the principles, but few

are agreed as to the practical application. On this, even the Council itself are not agreed.

The leading Newspapers pretend to be ignorant of the existence of the Liverpool Association, and the Public in general are either ignorant of it, or regard it as occupied with a vain attempt to carry out visionary and impracticable views.

The Writer of these pages has, at various times, represented to the Council, the urgent necessity of submitting to the Public a well considered PRACTICAL SCHEME for carrying out their principles, as the best means for removing the indifference of the many, and the doubts and difficulties of the comparatively few who, favorable to the principles, are still hopeless of any practical result.

But the Members of the Council, divided among themselves on this question, and governed by a large majority, have determined to persevere in the course which they have pursued, of confining their endeavors to the diffusion of what they believe to be the true principles, and of leaving to the Government the adoption of those principles in some practicable Scheme, when called upon so to do by a more enlightened Public Opinion.

Differing with the Council in their view of dealing with this question, and believing that the time has arrived when it is absolutely necessary, for the continued existence of this Association, that the Council should

identify themselves with some definite Scheme for carrying out their principles in practice, the Author has given a Third Edition of "The People's Blue Book," though, in fact, the whole is re-written, as a Practical Scheme of Taxation, prepared expressly for this purpose.

It appears to the Writer that, to defer reducing theoretical principles into a practical form, until the Public be sufficiently enlightened to do this for themselves; or, until the Government be sufficiently enlightened, or sufficiently honest, to do this for them; is to defer this great and beneficial reform to an indefinite period of time. It is too much to expect that the Public mind will ever devote sufficient time and attention to the details of such a measure as this, to be enabled to apply these principles to any practical result; and it is too much to expect from any Government, that they will ever voluntarily undertake such a responsible duty as this, which, if successful, must deprive them of nearly the whole of their official patronage, and must bring them under a much closer supervision of the Representatives of the People, as regards the application of the State Revenue, than has ever yet been experienced by any Government.

This Third Edition is, therefore, submitted, with all due respect, and deference, to the Members of the Council of the Liverpool Financial Reform Association, in the hope that they will carefully consider it in all its parts separately, and all together as a whole, for practical working; and, if it should meet with their approval, that they will

stand by it and advocate it, and especially press it upon the notice of the Government, until they see reason to change their opinion for some better Scheme; and, if it should not meet with their approval, that they will show where and why, they disapprove, that their objections may be duly considered, and, as far as possible, removed.

Society does not like to be disturbed in its routine, and men in authority are apt to be affronted when their opinions are criticised by inferiors. So true is this, that we know not what moral evil, which has once struck root into an established system, can ever be shaken off, otherwise than by foreign conquest, when each individual, in turn, submits his conscience to that which has grown up in the Society.

We do not find Governments taking the lead in the progress of society, and if society would advance it must look for leaders, not in the Government, but amongst the People. This duty may be so long neglected that, for keeping up a Nation in the march of progress, it must be conquered.

The British Nation is far from that danger, but having taken the lead among Nations in the march of progress, its ambition should be to keep it.

The highest ambition of every Nation should be,—the welfare of its People.

Such being the view and object,—this—PRACTICAL SCHEME FOR RAISING THE WHOLE REVENUE OF THE

STATE BY A PROPERTY TAX, AND A PERSONAL TAX ON HOUSEHOLDERS, AND FOR ABOLISHING ALL OTHER STATE TAXES,—is respectfully submitted to the Public in general, and to the Council of The Liverpool Financial Reform Association in particular, by

THE AUTHOR OF
"THE PEOPLE'S BLUE BOOK."

LONDON,
1*st August*, 1862.

CONTENTS.

PART V.

INTRODUCTION

AND PLAN OF THE WORK.

ROGER BACON, the Monk of Ilchester, in the 13th Century, opens his "*Opus Magnum,*" thus:—"There are four impediments to knowledge; *first*, too great dependence upon authority; *second*, allowing too great weight to custom; *third*, the fear of offending the vulgar; *fourth*, the affectation of concealing ignorance by the display of a specious appearance of knowledge."

Lord Bacon, in the 16th Century, in his *Opus Magnum*—classifies the obstacles which obstruct man in the simple apprehension of truth, into four great divisions, under the head of *Idola Tribus, Specus, Fori, et Theatri*; which may be rendered:—*Idola Tribus*, the illusions common to the whole race of man, in virtue of the constitution of his mind: *Idola Specus*, the illusions of a man's own den, bred out of his peculiar nature, habits, and pursuits; *Idola Fori*, the illusions derived from common talk—the inaccuracy of language, producing inaccurate conceptions, and this inaccuracy being inseparable from the talk of the vulgar: lastly, *Idola Theatri*, the illusions derived from systems invented by the schools—the imaginary, or stage world occupying the place of the actual world.

Lord Bacon utterly denies that we should submit to

the authority of men however great and good; "For disciples do owe unto their masters only a temporary belief, or a suspension of their own judgment, until they be fully instructed, and not an absolute resignation, or perpetual captivity."

Adam Smith, the illustrious Father of the Science, or Art, (whichever it may be) of Political Economy, in the Eighteenth Century, opens his *Opus Magnum*, "THE WEALTH OF NATIONS," thus:—

"The Annual labor of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations."

* * * * * *

"To explain in what has consisted the revenue of the great body of the people, or what has been the nature of those funds, which, in different ages and nations, have supplied their annual consumption, is the object of these Four first Books. The Fifth and last Book treats of the revenue of the Sovereign, or Commonwealth. In this Book I have endeavoured to show; first, what are the necessary expenses of the Sovereign, or Commonwealth; which of those expenses ought to be defrayed by the general contribution of the whole Society; and which of them, by that of some particular part only, or of some particular members of it; Secondly, what are the different methods in which the whole society may be made to contribute towards defraying the expenses incumbent on the whole Society, and what are the principal advantages and inconveniences of each of these methods: and, thirdly and lastly, what are the reasons and causes which have induced almost all modern governments to mortgage some part of this revenue, or to contract debts, and what have been the effects of those

debts upon the real wealth, the annual produce of the land and labor of the Society."

Bastiat, the illustrious French Economist, in the 19th Century, opens his *Opus Magnum*, "HARMONIES ÉCONOMIQUES," thus:—"I undertake in this Work to demonstrate the Harmony of those Laws of Providence which govern human Society. What makes these laws harmonious, and not discordant is, that all principles, all motives, all springs of action, all interests, cooperate towards a grand final result, which humanity will never reach by reason of its native *imperfection*, but to which it will always approximate more and more by reason of its unlimited *capability of improvement*. And that result is, the indefinite approximation of all classes towards a level, which is always rising; in other words,—the *Equalization* of individuals in the general *amelioration*."

He proves convincingly that individual interests, taken in the aggregate, far from being antagonistic, aid each other mutually; and that, so far is it from being true that the gain of one is necessarily the loss of another, each individual, each family, each country has an interest in all others. He shows that, between agriculturist and manufacturer, capitalist and laborer, producer and consumer, native and foreigner, there is in reality no antagonism, but, on the contrary, a community of interest; and that, in order that the natural Economic Laws should act constantly so as to produce this result, one thing alone is necessary—namely, respect for Liberty, and Property.

How truly this *Harmony* was felt, and how highly it was appreciated by our late illustrious, and lamented, Prince Albert, may be seen in the few following extracts, taken accidentally, from his printed speeches:—AT A MEETING OF THE SOCIETY FOR IMPROVING THE CONDITION OF THE LABORING CLASSES. MAY 18th, 1848.

"Depend upon it, the interests of classes, too often contrasted, are identical; and it is only ignorance which

prevents them from uniting for each other's advantage. To dispel that ignorance, to show how man can help man, notwithstanding the complicated state of civilized society, ought to be the aim of every philanthropic person; but it is more peculiarly the duty of those who, under the blessing of Divine Providence, enjoy station, wealth, and education."

At the Lord Mayor's Banquet in London, March 21st, 1850,—in anticipation of the Great International Exhibition.

"I conceive it to be the duty of every educated person closely to watch and study the time in which he lives, and, as far as in him lies, to add his humble mite of individual exertion to further the accomplishment of what he believes Providence to have ordained. Nobody, however, who has paid any attention to the peculiar features of our present era, will doubt for a moment that we are living at a period of most wonderful transition, which tends rapidly to accomplish that great end to which, indeed, all history points, *the realization of the Unity of Mankind!* Not a unity which breaks down the limits, and levels the peculiar characteristics of the different Nations of the Earth, but rather a unity, *the result and product* of those very national varieties, and antagonistic qualities. Let them be careful, however, to avoid any dictatorial interference with labor and employment, which frightens away capital, destroys that freedom of thought and independence of action which must remain to every one if he is to work out his own happiness, and impairs that confidence under which alone engagements for mutual benefit are possible. God has created man imperfect, and left him with many wants, as it were, to stimulate each to individual exertion, and to make all feel that it is only by united exertions and combined action that these imperfections can be supplied, and

these wants satisfied. This pre-supposes self-reliance and confidence in each other."

Such were the sentiments expressed by our late lamented Prince Consort on these, and many other like, occasions.

Such truths, expressed in words of such beauty and simplicity, can hardly fail to be impressed on the minds of the People; and, if remembered, will surely bring blessings on the whole nation, down to the most distant generations.

"THE REALIZATION OF THE UNITY OF MANKIND!" Let these memorable words be fixed on the imperishable page of the History of our Country, and our late Prince Albert will have been an example more glorious for mankind than all the Crowned Heads which this world has seen from David, the Shepherd King, to the present time.

What is the end and object of Religion, and Philosophy, but to bring about "the realization of the Unity of mankind?"—to bring all mankind into one holy brotherhood of order, and universal love? For what else have all great and good men labored? For what else have all good books been written? For what else did St. Paul preach, and pray, and suffer? For what else did Jesus Christ come to us in our human nature on Earth, and die for us upon the Cross? For what else has the Holy Bible been preserved, and handed down to us, but to show,—to prove to us,—the end and object of our creation—one holy brotherhood, as Sons of God on Earth, and joint heirs with Christ in Heaven? And what is this, but "the realization of the Unity of Mankind"?

How far we are from this we need not to be told. In no civilized Government of the World can we trace even an outline of the principle to this end. We see nothing in the principles of any human Government tending even to realize the Unity of Mankind. On the contrary,

we see the tendency of all Governments to divide Society into separate classes, with separate and conflicting interests; and we see all classes full of enmity and distrust, the one against the other.

Hence we see Society distracted with wild and visionary theories; all, or most of them, containing some portion of truth, but truth so out of place, and so misapplied, as to be absolute falsehood, and most ruinous error. We see right so confounded with wrong, that many well meaning, and sincere men are quite unable to distinguish right from wrong. Hence have arisen the infinite varieties of Sects in Religion, and Parties in Politics which divide and rend Society throughout the World. They see that there is no Unity of Mankind, and they think to bring about that unity by their own false theories. Hence have arisen the Communist writers and agitators; the Socialists in all their various shades of folly, down to the miserable advocates of direct spoliation. The leaders in these unfortunate delusions, (except the last) have been, for the most part, well meaning, and sincere men, and neither knaves, nor fools, in the common acceptation of these words. And, injurious as these have been to Society at large, it cannot truly be said that they have been more injurious, or even so injurious, as another class who have set themselves up as *Protectionists*. No one can doubt that many of these have been well meaning, and sincere, and what are commonly called, sensible men. But they have been equally foolish with all the other visionaries, and more injurious, because more numerous. Spoliation has been at the bottom of it all. One class, with a view to its own good, plundering another class. The Protectionists have been the greatest plunderers, because they have been practising by a better disguised deception than the other plunderers. They have been more successful than the more openly avowed. That is the only difference.

Louis Blanc, Cabet, Proudhon, and others of their class,—have done much less harm in the world than Lord Castlereagh, Lord Liverpool, Lord Eldon, and some others of our past rulers who might be named. These, perhaps, were all sincere men, and Sir Robert Peel, late in his life, proved his sincerity by renouncing his errors, when he discovered them to be errors. The errors of the one class were not greater than the errors of the other; but the *Protectionist* error has been much more extensively injurious to mankind, than the *Socialist* or *Communist* error.

The professed object of all has been the Unity of Mankind. No higher can be found in this world. But this object can be attained only through Liberty, aad Justice.

Louis Blanc and his National Workshops, and all the illusions of the Socialists and Communists;—all the absurdities of the Advocates of Spoliation, in the grosser, or in the wilder, form, have been exposed, and are now comparatively harmless. But something of the old *leaven* of *protection* still remains,—still works; and this is nothing else than practical Communism, or spoliation. Whilst this remains and works, Liberty and Justice cannot work freely, and without these there can be no Unity of Mankind.

Unfortunately for Mankind there is, and always has been, a great and powerful class amongst the leaders of men,—Statesmen and Politicians, Economists and Religionists, who believe, or who act as if they believed, that "*the laws of nature, or the great providential laws, urge on Society to evil.*" They all, therefore, in their various ways, seek to find a remedy; some by arbitrary intervention,—some by their own contrivances,—and some by renouncing worldly interests, and by taking refuge in abnegation, self-sacrifice, and resignation.

But it is not true that the great providential laws urge

on Society to evil. These laws must ever work in perfect harmony with all the true interests of Society, if left to work in perfect liberty.

The harmony of human interests with *the great providential laws*, is the leading idea of Bastiat's greatest work, before referred to, and this is, perhaps, one of the greatest works ever given by man to man, for human government, and welfare.

As Bastiat asks:—"Have we Liberty?" And the question, as he says, is:—"Do these laws act in their plenitude, or is their action not profoundly troubled by the countervailing action of human institutions?"

Let every one ask this question, and answer it for himself.

"Deny evil! deny suffering! Who can? We must forget that our subject is man. We must forget that we are ourselves men. The laws of providence may be regarded as harmonious without their necessarily excluding evil. Enough that evil has its explanation, and its mission, that it checks and limits itself, that it destroys itself by its own action, and that each suffering prevents a greater suffering by repressing the cause of suffering. Society has for its element man, who is a *free* agent; and since man is free, he may choose,—since he may choose, he may be mistaken, he may suffer,—he must be mistaken and suffer, for he begins his journey in ignorance, and for ignorance there are endless and unknown roads, all of which, except one, lead to error. Now, every Error engenders suffering; but either suffering reacts upon the man who errs, and then it brings Responsibility into play,—or, if it affects others who are free from error, it sets in motion the marvellous reactionary machinery of Solidarity. The action of these laws, combined with the faculty which has been vouchsafed to us of connecting effects with their causes, must bring us back, by means of this very suffering, into the

way of what is good and true. Thus, not only do we not deny the existence of evil, but we acknowledge that it has a mission in the social, as it has in the material world. But, in order that it should fulfil this mission, we must not stretch Solidarity artificially, so as to destroy Responsibility,—in other words, we must respect Liberty. Should human institutions step in to oppose in this respect the divine laws, evil would not the less flow from error, only it would shift its position. It would strike those whom it ought not to strike. It would be no longer a warning and a monitor. It would no longer have the tendency to diminish and die away by its own proper action. Its action would be continued, and increase, as would happen in the physiological world if the imprudences and excesses of the men of one hemisphere were felt in their unhappy effects only by the inhabitants of the opposite hemisphere.

Now, this is precisely the tendency not only of most of our Governmental Institution but likewise, and above all, of those which we seek to establish as remedies for the evils which we suffer. Under the philanthropical pretext of developing among men a factitious Solidarity, we render Responsibility more and more inert and inefficacious. By an improper application of the public force we alter the relation of labor to its remuneration, we disturb the laws of industry and of exchange, we offer violence to the natural development of education, we give a wrong direction to capital and labor, we twist and invert men's ideas, we inflame absurd pretensions, we dazzle with chimerical hopes, we occasion a strange loss of human power, we change the centres of population, we render experience itself useless,—in a word, we give to all interests artificial foundations, we set them by the ears, and then we exclaim that—Interests are antagonistic: Liberty has done all the evil,—let us denounce and stifle Liberty.

And yet, as this sacred word has still power to stir

men's hearts and make them palpitate, we despoil Liberty of its *prestige* by depriving it of its name; and it is under the title of *Competition* that the unhappy victim is led to the sacrificial altar, amid the applause of a mob stretching forth their hands to receive the shackles of servitude."

These are the words of the illustrious Frenchman, admirably rendered into English by Patrick James Stirling, F.R.S.E.

Here is the foundation of Bastiat's great work of, "Economic Harmonies."

He appeals "with confidence to men of all schools, who prefer truth, justice, and the public good to their own systems."

He makes his appeal to Economists, Socialists, *Egalitaires*, Communists, Christians of all communions,—Proprietors, *Prolétaires*, Capitalists and Laborers, Disciples of Malthus!

But to Men of Spoliation! he says, "To you, alone, I make no appeal, for the design of this book is to sacrifice you, or rather to sacrifice your unjust pretensions. In vain we cherish conciliation. There are two principles which can never be reconciled,—Liberty and Constraint. If the laws of Providence are harmonious, it is when they act with freedom, without which there is no harmony. Whenever, then, we remark an absence of harmony, we may be sure that it proceeds from an absence of liberty, an absence of justice. Oppressors, spoliators, contemners of justice, you can have no part in the universal harmony, for it is you who disturb it."

All others he claims as his disciples, and he thus addresses them:—

"My aim is to demonstrate that society, as it exists, has only to acquire freedom in order to realize and surpass your wishes and your hopes. For all things are common to all, on the single condition that each man

takes the trouble to gather what God has given, which is very natural; or remunerate freely those who take that trouble for him, which is very just."

In these few and simple words is all his theory of Economic Laws. To build on this simple foundation was the design of his last and greatest work. He lived to complete it only in part, and, so far as it goes, it is complete,—an enduring memorial of a good man, and a great mind.

To that work this publication does not pretend to add anything.

It pretends only to show how the plain and simple principle there propounded, may be easily and safely carried out in practice.

It pretends to give a Practical Scheme for human Governments, and to show thereby the harmony of human interests with the great providential laws.

It pretends to show, in detail, the practical application of this principle;—to show Lord Bacon's sound teaching, for the practical purposes of life,—that "Man, the servant and interpreter of nature, can only do and understand what he has been guided to by observing the order of nature: further he knows not, neither can he do."

The more comprehensive the view that can be given of what is thus able to be known, and of how far the inquiry has to be extended in order to bring within reach full knowledge, the more will the human mind be impressed with the great truth of this teaching, and with the necessity for it. And so,—this teaching is a great pretension, but it is not a new one. It was attempted in "The People's Blue Book," first published in the year 1857, before the Author had heard even the name of Bastiat.

The Author has now the incalculable advantage of that great authority, who only followed out, as far as he

went, the directions of Bacon, who only followed out, as far as he went, the organization of Nature.

There is another great name amongst men, and who has only lately departed from us, to whom the Author will shortly refer, but with a feeling of more than ordinary satisfaction, for a concurrence of opinion with himself on these questions.

Personally unknown to the Author, he received from Count Cavour, but a short time previously to his death, a Letter acknowledging the satisfaction with which he had perused the "People's Blue Book," and his approval of the principles therein propounded, which he hoped to apply in practice to the new Kingdom of regenerated and united Italy.

In one of the political pamphlets of this enlightened Statesman, in reference to the too common errors of the times, the following, in his own words,—(literally translated) are so applicable to the present subject, as to deserve the deepest reflection of every thoughtful mind:—"The remedies which should be opposed to these Socialist ideas, at whose propagation Society is justly alarmed, are, *firstly*, the diffusion of wholesome truths calculated to enlighten the intelligence of mankind; and, *secondly*, the promotion of feelings of mutual good-will between all classes of society. . . . . To every man, then, his proper work! The philosopher and the political economist may easily refute in their studies the error of Communism; but their labor will be in vain unless all honest men, putting into practice the great principle of universal benevolence, act upon the hearts of mankind, as science acts upon their minds."

He shows that, in order to dispel the Socialist delusion, it is not enough for Writers to demonstrate its unsoundness. They must also show that the opposite principle is no longer tenable in practice.

He says:—"It is, perhaps, necessary to proclaim in

our days, even more distinctly than in past times, that the right of property, sacred and inviolable as it is, within certain limits, is not an absolute and irreversible principle."

There is no use in any longer blinking at the real question, which all highly civilized Nations are, in these times, forcing upon their Governments, and which must be met, sooner or later, with a satisfactory answer, if existing Governments are to stand.

All questions as to Communism, or Socialism, resolve themselves, finally, into this simple one;—as Cavour asks:—"What is the rational principle to adopt in cases of conflict between the right of property, on which the whole Social order depends, and the right of self-preservation, which cannot be refused to any living man? What ought one to do when there arises a positive collision between the Social and the natural right?—that is, between the principle of property necessary for the preservation and development of Society, and the principle which imposes upon man an absolute respect for the lives of his fellow-men."

Some recent writers have solved this problem by the theorem that, in all cases of collision, the right of property must ultimately give way to the right of self-preservation.

This solution, Cavour grants, may be true theoretically, but is not capable of practical application.

The Writer of these pages does not maintain this doctrine. He substitutes for the principle of the "right of self-preservation," the principle of the "right of labor."

But he does maintain that, "where a collision occurs between this irresistible 'right of labor,' and the 'right of property,' it is the latter, not the former, which must be sacrificed. For as property itself is established for the benefit and preservation of Society, it ceases to be sacred when the respect which it inspires compromises the very existence of Society itself."

As Cavour admits, and as all Statesmen must admit, the social power is obliged to reconcile itself to the spectacle of certain evils which it is powerless to prevent; but, nevertheless, if one were obliged to choose between the two solutions of the terrible problem, which one always meets with at the root of all social questions, it would be better to follow out the principle of the right of labor to its utmost consequences,—for that principle may be said to involve the right of self-preservation,—rather than to deny its existence absolutely, as many have been tempted to do, in consequence of the numerous obstacles one meets with, whenever one tries to organize any system for the social recognition of this important right.

But no one, as far as the Writer knows, has ever yet proposed any practical plan for preserving the 'right of labour,' without infringing on the 'right of property;' —no one has ever yet shewn how both these rights may be respected for their mutual good; or, how inevitably the sacrifice of the one must be to the injury of the other.

No Statesman, no Political Economist, no Philosopher, no Man,—save that One who combined the Human nature with the Divine,—has ever shewn how this is to be done. He alone has given the rule by which alone those mutual rights can be preserved intact. But that rule has never yet been followed.

It is no presumption to point to that rule—to propound a plan in accordance with it—to express conviction in its practical applicability—in its sufficiency—and in its security.

But this is a great pretension—to do what no one before him has ever done for the benefit of mankind.—To this the Writer of these pages does make pretension.

And what is this, but a humble and earnest attempt to show how easily the GOLDEN RULE for individuals, may be followed out by Governments and Nations?

This is the object of "THE PEOPLE'S BLUE BOOK."

It remains with THE PEOPLE themselves to accomplish this object. Let them not deceive themselves with the delusive hope that, the PRACTICAL SCHEME OF TAXATION here proposed, however perfect for its purpose, will ever be carried out by any Government of its own accord.

Whatever changes may occur in the progress of time, human nature never changes. It may be improved, but, under all changes, the natural propensities remain the same,—especially among the "principalities and powers in high places." *The love of power* seems to be one of the strongest of the natural instincts of the human creature. Man never parts with this until compelled.

The only alterations in the original Scheme, here requiring notice, are the abandonment of the Capitation Tax, and the substitution of a PERSONAL Tax on Householders, distinguished from the tax on property; and the substitution of a 10 per cent. tax, for a 20 per cent. tax.

These changes are mere matters of detail, and in no way affect principle.

The reduction of the tax is a question resting merely upon facts, which can be proved only by experience.

The abandonment of the Capitation Tax is in deference to the strong opinion generally expressed against a Poll Tax,—to get rid of Wat Tyler, whose name and history seem to be still held in abhorrence in this Country.

The substituted Personal Tax is fixed on property only as a matter of convenience for collection, and is not intended as another tax on property. It must be regarded as a concession to a national and respectable prejudice.

The other use which has been suggested to be made of this Tax is a matter of opinion, and is no necessary part of this SCHEME OF TAXATION.

PART I.

THE PRINCIPLES OF TAXATION.

THE

PEOPLE'S BLUE BOOK:

TAXATION AS IT IS, AND AS IT OUGHT TO BE.

PART I.

THE PRINCIPLES OF TAXATION.

It has been said that,—"*Actual equality of taxation* would be a criterion of the highest civilization"; but this is as great an error as if, in place of the word, '*taxation*,' the word, *property*, were substituted. The one is as undesirable, and impossible, as the other.

It is a common opinion, that State Taxes should be raised by an equal rate on all descriptions of property. That the rate should be equal is, no doubt, a correct principle; but to apply that to all descriptions of property is, simply impossible, and, if possible, would be undesirable.

Property is so various, and so variable in its nature that, equality of rating, for all descriptions of property, must be impracticable.

But the proposition assumes that, it is for the interest of the State that all Property should be taxed by an equal rate.

It will be shown in these pages that, this assumption is entirely wrong;—and that, if it were possible to carry

out such a system of taxation, it would be most injurious to the State.

Adam Smith has said :—"The Subjects of every State ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively *enjoy* under the protection of the State."

It probably did not occur to Adam Smith when he wrote these words, that of the revenue which one man *receives* in the year, another man often enjoys the greater part, as in the case of that portion of a man's annual receipts which includes the interest on borrowed money. And, why should "the subject contribute to the support of the Government," out of a revenue derived from a foreign Country?

On no ground of policy, or principle of justice, can such a proposition be maintained. But on grounds of policy, and justice, it may be shown that, this proposition requires to be modified.

If it be shown to be for the interest of the State that certain descriptions of property only should be taxed, it must be sufficient if all property of those descriptions be taxed equally.

That is proposed to be shown in these pages.

There can be no principle for taxing all persons equally "in proportion to their respective abilities," if it be shown that such taxation is injurious to the State, as well as to the individuals.

That is proposed to be shown in these pages.

No person, or class of persons, could justly complain of injury, because another person, or class of persons, was untaxed, if all property of the same description were equally taxed, and if to tax them in property of another description would be injurious to the State, and to all persons individually.

That it would be so, is proposed to be shown in these pages.

If it can be shown that, there are taxes on certain descriptions of property which take out, and keep out, of the pockets of the people, over and above what those taxes bring into the public treasury of the State, such taxes are expressly condemned by Adam Smith.

The Tax on Corn was such a tax. The Customs and Excise duties are such taxes.

Every one of our existing taxes, including the Income Tax, as at present assessed, are such taxes, with the single exception of the Land Tax, which is unequally, and, therefore, unjustly assessed.

Adam Smith said:—"Every tax ought to be so contrived as both to take out, and keep out, of the pockets of the people, as little as possible over and above what it brings into the public treasury of the State."

This is an axiom which cannot be disputed, and this is a condemnation of all Indirect Taxes.

But this destroys Adam Smith's former proposition, as will be shown in these pages, in the perusal of which this is especially to be remembered. It may then be seen that, no injury is done to the State, or to individuals, if large classes of persons escape the payment of any tax in respect of property.

It will be shown that, it is for the benefit of the State, as well as of the Subjects, that such persons should be free from the payment of any tax in respect of property.

PART II.

TAXATION AS IT IS.

PART II.

TAXATION AS IT IS.

Perhaps, there is no better way of showing Taxation "As IT OUGHT TO BE," than in first showing it "As IT IS," for then we have experience to help us to the conclusion that, *it ought not to be as it is.*

What it is, and has been for the last five years, (to go back no further) will be seen, at a glance, in the following Statement, prepared by Mr. Henry Lloyd Morgan, the well known Public Accountant, whose services, in a methodical and intelligible arrangement and investigation of the Government Accounts, though very highly appreciated by all who know and are able to appreciate these services, are yet unrequited by any public acknowledgment.

Here, at least, the arrangement is simple, and the figures under the yearly columns are intelligible enough. But whether or not the sums entered, as received and paid, be correctly entered, there is no evidence. All that can be said is, that these entries are taken from the Government Accounts, and are here presented in a simple and intelligible form :—

ANNUAL PUBLIC INCOME AND EXPENDITURE FOR FIVE YEARS; EACH YEAR ENDING ON THE 31ST MARCH. From the 'Financial Reformer' for December, 1861. Prepared by Mr. Henry Lloyd Morgan, 74, Cornhill.

INCOME.	1857.	1858.	1859.	1860.	1861.	Total of Five Years.	Average of Five Years.
	£.	£.	£.	£.	£.	£.	£.
1. Customs . . .	23,488,136	23,275,743	23,998,380	24,391,084	23,278,250	118,431,593	23,686.318
2. Excise	18,294,166	17,910,614	17,901,545	20,240,467	19,548,133	93,894,925	18,778,985
3. Income Tax. . .	16,050,670	11,396,435	6,610,102	9,666,142	10,957,061	54,680,410	10,936,082
4. Stamps	7,396,685	7,470,627	7,994,635	8,040,091	8,368,869	39,270,907	7,854,181
5. Land Tax . . .	1,149,082	1,142,173	1,131,768	1,137,034	1,144,672	5,704,729	1,140,945
6. Assessed Taxes . .	1,965,363	2,008,589	2,028,988	2,100,539	2,000,398	10,103,877	2,020,775
7. Post Office . . .	2,909,131	3,038,113	3,175,561	3,310,655	3,407,063	15,840,523	3,168,104
8. Crown Lands . .	443,478	417,909	420,329	416,531	412,451	2,110,698	422,139
9. Miscellaneous . .	1,098,174	1,596,887	2,125,944	1,801,584	1,453,101	8,075,690	1,615,138
10. Total Income . .	72,794,885	68,257,090	65,387,252	71,104,127	70,569,998	348,113,352	69,622,667

EXPENDITURE.	1857.	1858.	1859.	1860.	1861.	Total of Five Years.	Average of Five Years.
	£.	£.	£.	£.	£.	£.	£.
Interest and Management of the National Debt . .	28,681,177	30,627,103*	28,527,484	28,638,726	26,231,018	142,705,508	28,541,101
Army and Navy . . .	34,270,255	25,245,850	22,510,301	26,739,102	31,345,564	140,111,072	28,022,214
Civil Expenditure . .	13,266,324	14,654,548	13,761,635	14,241,438	15,387,954	71,311,899	14,262,379
Total Expenditure . .	76,217,756	70,527,501	64,799,420	69,619,266	72,964,536	354,128,479	70,825,694

* This includes £2,000,000 Exchequer Bonds redeemed.

CIVIL EXPENDITURE.	1857.	1858.	1859.	1860.	1861.	Total of Five Years.	Average of Five Years.
	£.	£.	£.	£.	£.	£.	£.
1. Collection and Management of the Revenue Departments . .	4,865,865	4,507,631	4,651,507	4,555,525	5,679,703*	24,260,231	4,852,046
2. Civil List . . .	401,532	401,258	403,225	403,260	403,160	2,012,435	402,487
3. Annuities and Pensions .	336,258	334,997	343,761	350,714	345,772	1,711,502	342,300
4. Salaries and Expenses of Public Departments .	1,629,997	1,589,026	1,573,646	1,629,698	1,580,912	8,003,279	1,600,655
5. Justice	2,706,169	3,069,645	3,291,894	3,437,552	3,184,671	15,689,931	3,137,986
6. Diplomatic, Colonial and Consular . . .	486,339	545,808	507,210	582,102	624,020	2,745,479	549,095
7. Superannuations and Charities	224,140	244,056	240,185	249,109	237,418	1,194,908	238,981
8. Education, Science, and Art	902,245	1,062,426	1,146,779	1,267,992	1,233,352	5,612,794	1,122,558
9. Public Works and Buildings	798,676	844,576	765,780	681,419	639,711	3,730,162	746,032
10. Special and Temporary Objects . . .	503,118	606,889	586,023	808,727	783,702	3,288,459	657,691
11. Interest on Loans, Secret Service, etc. . .	182,369	178,030	177,625	177,340	518,532	1,233,896	246,779
12. Civil Contingencies .	147,916	105,000	74,000	98,000	157,000	581,916	116,383
13. Building Churches .	1,700	.....	.....	.....	.....	1,700	
14. Medals	80,000	.....	.....	.....	.....	80,000	Beyond this the average cannot be struck, as they are single items.
15. Compensation to the King of Denmark for Sound Dues	.....	1,125,206	.....	.....	.....	1,125,206	
16. Marriage of the Princess Royal . . .	.....	40,000	.....	.....	.....	40,000	
	13,266,324	14,654,548	13,761,635	14,241,438	15,387,953	71,311,898	14,012,993

* The Post Office Packet Service is here included.

The following Epitome of the Government Accounts, prepared by Mr. Henry Lloyd Morgan for the Council of The Liverpool Financial Reform Association, was printed by them in one large sheet, and, as they say:—"It presents a clear, succinct, and connected view of the Public Income and Expenditure,—an advantage that can only be fully appreciated by those who have endeavoured to master for themselves the mysteries of official Book-keeping as annually presented to Parliament, and always after the supplies for the ensuing year have been voted,—that is, too late to be of any use whatever to the House of Commons in the transaction of its financial business."

With the permission of Mr. Henry Lloyd Morgan, and the Council, this valuable document is transferred from its more convenient form, in one large sheet, to these small pages:—

PUBLIC INCOME AND EXPENDITURE, FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1861.

GENERAL BALANCE SHEET.

	£	s.	d.	£	s.	d.
Balances and Bills Outstanding on 31st March, 1860	1,352,926	3	4			
Advances Repayable from Votes of Parliament	1,157,847	2	7			
				2,510,773	10	11
INCOME.						
1. Customs	23,278,250	3	4			
2. Excise	19,648,133	7	11			
3. Stamps	8,368,869	9	1			
4. Land Tax	1,144,672	2	3			
5. Assessed Taxes	2,000,397	19	10			
6. Property and Income Tax	10,957,060	9	6			
7. Post Office	3,407,062	16	8			
8. Crown Lands	413,450	19	11			
9. Miscellaneous	1,463,100	17	0			
				70,569,998	5	4
				73,080,771	16	3
Excess of Expenditure over Income				2,558,384	11	7
				£75,639,156	7	10

		£	s.	d.	£	s.	d.
	EXPENDITURE.						
10.	the				26,231,018	9	10
11.							
	...	14,970,000	0	0			
	...	13,331,668	3	11			
	in						
	...	3,043,896	0	0			
					31,345,564	3	11
	CIVIL EXPENDITURE.						
12.	Collection and Management of Revenue Departments	4,487,447	17	8			
	Post Office Packet Service	1,069,778	0	0			
	Payments out of Gross Revenue of	122,477	3	3			
13.		639,711	0	0			
14.							
		1,580,911	14	1			
15.		3,184,670	14	5			
16.		1,233,352	10	0			
17.		624,019	11	11			
18.		237,418	0	0			
19.		783,702	10	4			
20.	Civil List	408,160	0	0			
21.	Annuities and Pensions	345,771	19	7			
22.	Interest on Loans, Secret Service, etc.	518,532	8	11			
23.	Civil Contingencies	157,000	0	0			
					15,387,963	10	4
					72,964,536	4	1
	Balances and Bills Outstanding on 31st March, 1861	1,437,642	19	1			
	Advances Repayable from Votes of Parliament	1,236,977	4	8			
					2,674,620	3	9
					£75,639,156	7	10

PUBLIC INCOME.

I.—CUSTOMS.

Finance Accounts, pages 21 *and* 22.

			£	s.	d.
1	Coffee		439,521	18	4
2	Corn, Meal, and Flour		868,525	11	8
3	Currants		224,619	2	6
4	SPIRITS—Colonial and Foreign—				
	Rum	1,733,445 12 6			
	Brandy	747,150 12 9			
	Geneva	107,263 6 7			
	Other Sorts	35,755 5 0			
			2,623,614	16	10
5	SUGAR—Unrefined	5,682,427 11 8			
	Refined & Candy	234,079 19 2			
	Molasses	143,562 6 2			
			6,060,069	17	0
6	Tea		5,419,551	18	9
7	Tobacco and Snuff		5,606,488	8	7
8	Wine		1,144,794	2	4
9	Wood and Timber—				
	Firewood	5,553 10 4			
	Lathwood	3,702 18 7			
	Staves	3,230 19 11			
	Deals, Battens, etc.	159,089 12 2			
	Timber	64,214 17 3			
			235,791	18	3
10	Other Articles		397,436	15	3
			£23,020,314	4	6
11	Charges on Deliveries from Bonded Warehouses, and on Import Entries, and Bills of Lading		181,812	0	4
12	Duties Collected at the Isle of Man		29,130	0	6
13	Rents of Legal Quays, Warehouse Rents, etc.		17,071	11	10
14	Proceeds of goods sold for the duties, etc.		10,203	8	7
15	Fees under Merchant Shipping Act		816	15	6
16	Sales of Old Stores		9,497	1	4
17	Moneys received from the merchants in respect of special attendance of officers		9,405	0	9
			£23,278,250	3	4

II.—EXCISE.

Finance Accounts, page 24.

		£	s.	d.
1	Chicory	357	7	2
2	Game Certificates	129,906	9	0
3	Hackney Carriages	87,571	4	6
4	Hops	582,727	9	5
5	Licenses	1,492,687	7	3
6	Malt	6,208,813	8	10
7	Paper	1,306,253	11	9
8	Race Horses	6,244	14	0
9	Railways	366,280	6	2
10	Stage Carriages	127,883	6	3
11	Spirits	9,225,538	19	10
12	Sugar used in Brewing	0	1	0
13	Law Costs recovered	342	0	6
14	Fines and Forfeitures	6,369	8	0
15	Sums received from contributions to late Scotch Excise Incorporation Fund	1,000	12	11
16	Miscellaneous	5,977	1	4
		£19,548,133	7	11

III.—STAMPS.

Finance Accounts, page 25.

1	Admiralty Court Fee Stamps		9,024	16	9
2	Banker's Notes		2,725	12	8
3	Bills of Exchange		571,229	2	8
4	Compositions for duties on the Bills and Notes of the Banks of England, and Ireland, and Country Bankers		69,487	4	8
5	Cards and Dice		14,432	16	0
6	Chancery Fund		7,595	19	5
7	Civil Bill Fund		16,870	5	11
8	Deeds and other Instruments		1,327,347	13	8
9	Divorce & Matrimonial Causes Stamps		2,619	10	0
10	Gold and Silver Plate		67,034	13	7
11	INSURANCE—Fire	1,485,540 6 11			
	Marine	325,341 13 8			
			1,810,882	0	7

Carried forward .....

		£	s.	d.
	Brought forward.....			
12	Judgment Registry Fund.....	4,265	4	6
13	Law Fund	9,862	9	7
14	Legacies and Successions	2,161,825	6	0
15	Licenses and Certificates	219,250	16	6
16	Medicines	44,785	15	1
17	Newspapers and Supplements	134,090	1	8
18	Patents for Inventions	104,758	6	8
19	Penalties and Costs recovered.....	6,926	14	6
20	Probate Court Stamps	57,704	10	10
21	Probates of Wills and Letters of Administration	1,288,293	9	5
22	Receipts and Drafts	436,601	18	0
23	Miscellaneous	1,155	1	4
		£8,368,869	9	1

IV.—LAND TAX.

Finance Accounts, page 26.

	Land Tax on Land and Tenements.....	1,144,672	2	3

V.—ASSESSED TAXES.

Finance Accounts, page 26.

1	Duties on Offices and Pensions	669	15	7
	Assessed Taxes, Schedules—			
2	B—Inhabited Houses	822,936	6	5
3	C—Servants	202,105	1	1
4	D—Carriages	330,191	16	6
5	E—Horses for Riding	242,438	0	2
6	F—Other Horses, and Mules	125,804	2	9
7	G—Dogs	197,520	5	6
8	H—Horse Dealers.....	14,110	7	0
9	I—Hair Powder.....	1,157	8	3
10	K—Armorial Bearings	57,118	9	2
11	L—Game Duty	3,733	11	9
12	Additional 10 per cent.	1,986	6	10
13	Penalties in Law Proceedings and Costs recovered	438	4	6
14	Miscellaneous	188	4	4
		£2,000,397	19	10

VI.—INCOME TAX.

Finance Accounts, page 26.

	£	s.	d.
Property and Income Tax	10,957,060	9	6

VII.—POST OFFICE.

Finance Accounts, page 28.

		£	s.	d.
1	Postage Collected	494,575	18	6
2	Postage Stamps issued	2,128,079	12	3
3	Amounts received from Inland Revenue on account of Postage Stamps sold by that Department	647,029	4	2
4	Commission on Money Orders	122,732	16	6
5	Miscellaneous Receipts	14,645	5	1
		£3,407,062	16	6

VIII.—CROWN LANDS.

Finance Accounts, page 30.

		£	s.	d.
1	Amount collected in England and Wales, Ireland, Scotland, Alderney, and Isle of Man, to 31st March, 1861	346,497	3	8
2	Rents, and casual revenues not included in Receiver's account	7,450	7	7
3	Sale of Old Materials	8,093	7	6
4	Sales of Bark, Timber, and Offal Wood, Gale Rents, etc.	50,410	1	2
		£412,450	19	11

IX.—MISCELLANEOUS.

Finance Accounts, page 36.

		£	s.	d.
1	Bonds and Debts recovered	50	0	0
2	Conscience Money	10,218	14	9
3	Contributions from revenues of India, Retired Pay, etc	60,000	0	0
4	Ditto towards expenses of Consular Establishments in China	22,829	9	11
5	Ditto towards Mail Service, India	22,229	4	5

Carried forward.....

		£	s.	d.
	Brought forward.....			
6	Fees of Public Offices	138,918	17	10
7	Income of London, Edinburgh, and Dublin Gazettes	22,280	3	4
8	King of the Belgians' Trustees	37,000	0	0
9	Merchant Service	10,602	1	3
10	Old Stores, and Extra Receipts, Naval and Military Departments	631,861	11	3
11	Old Stores, and Extra Receipts, Civil Departments	133,118	19	8
12	Savings on Grants of Parliament, and over issues repaid	22,643	12	7
13	Small branches of Hereditary Revenue...	16,420	15	4
14	Spanish Government in full amount due	240,000	0	0
15	Superannuation Abatements Arrears.....	9	13	10
16	Unclaimed Dividends.....	83,982	8	10
17	Casual Receipts	935	4	0
		£1,453,100	17	0

PUBLIC EXPENDITURE.

X.—PUBLIC DEBT.

Finance Accounts, page 9.

Interest of Funded Debt, including Exchequer Bonds of 1853, but excluding Interest on Donations and Bequests				23,250,620	19	0
Interest of Government Debt of £11,015,100 to the Bank of England, at 3 per cent.				330,453	0	0
Ditto of £2,630,769 4*s.* 8*d.* to the Bank of Ireland, at 3¼ per cent. (3 & 4 Vict. c. 75)...				85,500	0	0
Charge for Management of Funded Debt, etc., payable to the Bank of England, (48 Geo. III. c. 4)	258,109	1	2			

Carried forward.....

	£	s.	d.	£	s.	d.
Brought forward.....						
Ditto of Government Debt to the Bank (5 and 6 Wm. and Mary, c. 20, and 4 and 5 Wm. IV. c. 80)	5,579	8	4			
	£263,688	9	6			
Deduct share of Profits of Circulation payable by the Bank to the Government (7 & 8 Vict. c. 32)	188,078	0	0			
Balance paid to the Bank of England				75,610	9	6
Life Annuities (per Acts 10 Geo. IV. c. 24; 3 & 4 Wm. IV. c. 14, and 16 & 17 Vict. c. 45)	1,021,605	13	2			
Irish Life Annuities under various Acts	23,352	19	0			
Exchequer Annuities Tontine 1789	13,646	0	0			
				1,058,604	12	2
Annuities for Terms of Years, per Acts 10 Geo. IV. c. 24; 3 & 4 Wm. IV. c. 14, and 16 & 17 Vict. c. 45, and 18 Vict. c. 18.....	302,288	2	0			
Naval and Military Pension Annuity, expiring 1867 (per Act 4 Geo. IV. c. 22)	585,740	0	0			
				888,028	2	0
Unclaimed Dividends refunded to the Bank of England, (per Act 56 Geo. III. c. 97).....				142,114	3	5
Interest of Exchequer Bonds, 1855, and subsequent years	100,000	0	0			
Ditto of Exchequer Bills, Supply	298,230	18	9			
Ditto ditto Deficiency	1,856	5	0			
				400,087	3	9
				£26,231,018	9	10

XI.—ARMY AND NAVY.

Finance Accounts, page 86.

	£	s.	d.	£	s.	d.
ARMY—Land Forces	9,045,000	0	0			
Works and Stores...	5,925,000	0	0			
				14,970,000	0	0
NAVY				13,331,668	3	11
Naval and Military Operations in China				2,600,000	0	0
Former Expeditions to China—Repayments to East India Company.....				443,896	0	0
				£31,345,564	3	11

XII.—REVENUE DEPARTMENTS COLLECTION AND MANAGEMENT.

Finance Accounts, pages 80 *and* 85.

1 CUSTOMS—						
Salaries 1859–60	205,006	13	1			
„ 1860–61	588,752	15	9			
				793,759	8	10
2 INLAND REVENUE—						
Salaries 1859–60	351,095	7	5			
„ 1860–61	990,730	0	0			
				1,341,825	7	5
3 POST OFFICE—						
Salaries 1859–60	470,567	3	9			
„ 1860–61	1,401,050	11	10			
Packet Service	1,069,778	0	0			
				2,941,395	15	7
4 SUPERANNUATIONS—						
1859–60	116,737	1	11			
1860–61	363,508	3	11			
				480,245	5	10
5 CROWN LANDS—Paid out of Gross Revenue, page 30.						
Salaries and Allowances to Surveyors and Local Officers...	7,432	12	10			
Carried forward.....						

	£	s.	d.	£	s.	d.
Brought forward.....						
Percentage and Allowance to Receivers ...	9,848	14	2			
Ancient Pensions, etc.	11,210	8	8			
Salaries and Annual Allowances	2,495	16	6			
Improvements and Repairs	48,553	8	1			
Repairing and maintaining	41,836	3	0			
Record Office Fees ...	1,100	0	0			
				122,477	3	3
				£5,679,703	0	11

XIII.—PUBLIC WORKS AND BUILDINGS.

Class 1.

Finance Accounts, pages 77 to 81.

1	British Consulate—Constantinople.....	10,950	0	0
2	Embassy House Abroad	4,025	0	0
3	Furniture of Public Offices	22,000	0	0
4	Harbours of Refuge	165,000	0	0
5	Holyhead Harbour	72,000	0	0
6	Kingstown Harbour	5,000	0	0
7	New Houses of Parliament	42,525	0	0
8	Port Patrick Harbour	403	0	0
9	Probate Court of Registry	9,130	0	0
10	Public Buildings	98,329	0	0
11	Ditto Ireland	76,421	0	0
12	Royal Palaces	46,988	0	0
13	Royal Parks	85,440	0	0
14	War Department—Additional Offices	1,500	0	0
		£639,711	0	0

XIV.—SALARIES AND EXPENSES OF PUBLIC DEPARTMENTS.

Class 2.

Finance Accounts, pages 78 to 82.

		£	s.	d.
1	Audit Office	35,118	0	0
2	Board of Trade	49,329	0	0
3	Civil Service Commission	5,476	0	0
4	Colonial Office	29,208	0	0
5	Commissioners—Copyhold, Tithe, and Enclosure	19,160	0	0
6	Ditto Lunacy	5,808	0	0
7	Ditto of Public Works—Ireland	21,105	0	0
8	Ditto of Works	6,800	0	0
9	Ditto Poor Law	237,638	0	0
10	Ditto West India Relief	920	0	0
11	Copyhold, Tythe, and Enclosure Imprest Expenses	10,790	0	0
12	Exchequer	6,528	0	0
13	Ditto Offices in Scotland	6,200	0	0
14	Foreign Office	62,145	0	0
15	Home Office	23,687	0	0
16	Inspectors of Factories, etc.	23,140	0	0
17	Ditto of Lunatic Asylums—Ireland	2,150	0	0
18	Lord Lieutenant, Ireland—Chief Secretary's Office	15,854	0	0
19	Ditto Household	5,251	0	0
20	Ditto Paymaster of Civil Services	5,004	0	0
21	Lord Privy Seal	2,120	0	0
22	Mint, including Coinage	50,065	0	0
23	National Debt Office	14,652	0	0
24	Paymaster-General's Office	19,262	0	0
25	Postage of Public Departments	114,628	0	0
26	Printing and Stationery	360,285	0	0
27	Privy Council Office	18,323	0	0
28	Public Records and State Paper Office	16,689	0	0
29	Registrar-General—England	38,400	0	0
30	Ditto Ireland	2,196	0	0
31	Ditto Scotland	5,112	0	0
32	Registrars of Friendly Societies	2,153	0	0
33	Secret Service	30,638	0	0

Carried forward.....

		£	s.	d.
	Brought forward.....			
34	Superintendent of Roads—South Wales..	1,223	0	0
35	Treasury	47,095	0	0
36	Two Houses of Parliament—Salaries.....	79,485	0	0
37	Woods, Forests, and Land Revenues.....	26,783	0	0
38	Works and Public Buildings	24,559	0	0
		£1,424,979	0	0

Paid out of Consolidated Fund, pages 45 and 46.

GREAT BRITAIN.

39	Audit Office	5,350	11	0			
40	Clergy—Scotch.....	17,039	19	10			
41	Ditto West Indies ...	20,300	0	0			
42	Compensations under the Copyright Act	3,029	1	10			
43	Exchequer.....	2,000	0	0			
44	House of Commons	6,200	0	0			
45	Inspectors of Anatomy ..	899	16	0			
46	Isle of Man	10,131	17	5			
47	Lunacy Commission.....	12,278	1	0			
48	Salaries formerly charged on the Hereditary Revenues of Scotland ...	6,083	8	4			

IRELAND.

49	Compensations and allowances	2,843	15	4			
50	Inspectors of Anatomy ..	470	0	0			
51	Lord Lieutenant	20,000	0	0			
52	Maynooth College	26,360	0	0			
53	Queen's Colleges, Belfast, Cork, and Galway	20,987	1	4			
54	Salaries and Expenses of the Board of Charitable Bequests	1,150	0	0			
55	Salaries formerly charged on Civil List	809	2	0			
					155,932	14	1
					£1,580,911	14	1

XV.—LAW AND JUSTICE.

Class 3.

Finance Accounts, pages 77 to 83.

ENGLAND.

		£	s.	d.	£	s.	d.
1	County Courts—Salaries and Expenses	180,275	0	0			
2	Criminal Prosecutions, etc.	50,000	0	0			
3	Insolvent Debtors' Court	5,776	0	0			
4	Metropolitan Police Salaries	133,560	0	0			
5	Police Counties and Boroughs	243,475	0	0			
6	Police Courts, Metropolis, Salaries	21,800	0	0			
7	Probate Court Salaries ..	39,280	0	0			
8	Prosecutions	130,000	0	0			
9	Queen's Bench, Crown Office Expenses	1,820	0	0			
10	Queen's Prison.....	2,600	0	0			
11	Registration of Admiralty	10,675	0	0			
12	Treasury Solicitor and Law Charges.....	31,790	0	0			
		851,051	0	0			
13	Paid out of Consolidated Fund, pages 50 to 57..	411,508	18	8			
					1,262,559	18	8

SCOTLAND.

14	Accountant in Bankruptcy.....	1,528	0	0			
15	Commissary Clerk, Edinburgh	1,044	0	0			
16	Court of Justiciary, Salaries and Expenses ...	11,066	0	0			
18	Court of Session, ditto...	17,091	0	0			

Carried forward.....

		£	s.	d.	£	s.	d.
	Brought forward.....						
18	Exchequer.....	1,620	0	0			
19	Expenses in matters of Tithes.....	1,250	0	0			
20	General Register House, Edinburgh.....	16,515	0	0			
21	Lord Advocate, and Solicitor-General, Salaries	3,342	0	0			
22	Prosecutions under authority of the Lord Advocate	3,500	0	0			
23	Procurators' Fiscal, Salaries	22,535	0	0			
24	Sheriffs' Procurators' Fiscal, not paid by Salaries, and Expenses of Prosecutions.....	35,000	0	0			
25	Sheriff's Clerks, Scotland—Salaries	12,880	0	0			
		127,371	0	0			
26	Paid out of Consolidated Fund, page 57	111,670	7	5			
					239,041	7	5

IRELAND.

27	Clerk to Court of Errors etc.....	300	0	0			
28	Court of Bankruptcy and Insolvency	9,782	0	0			
29	Ditto of Chancery	3,900	0	0			
30	Ditto of Common Pleas	2,800	0	0			
31	Ditto Exchequer Salaries and Expenses ...	11,039	3	6			
32	Ditto Probate, etc.	5,230	0	0			
33	Ditto Queen's Bench ...	3,300	0	0			
34	Four Courts, Marshalsea	1,300	0	0			
	Carried forward.....						

		£	s.	d.	£	s.	d.
	Brought forward.....						
35	High Courts of Delegates	200	0	0			
36	Landed Estates Court...	7,811	0	0			
37	Law Charges, and Criminal Prosecutions ...	64,130	0	0			
38	Manor Courts' Compensations	3,700	0	0			
39	Police Constabulary ...	669,692	1	6			
40	Ditto Metropolitan	46,780	0	0			
41	Ditto Justices, Dublin...	1,200	0	0			
42	Registrars to the Judges	2,900	0	0			
43	Registration of Judgments.....	1,850	0	0			
44	Revising Barristers, Dublin	350	0	0			
45	Taxing Officers of Law Courts	200	0	0			
		836,464	5	0			
46	Paid out of Consolidated Fund, pages 58 to 61...	177,396	1	11			
					1,013,860	6	11

PRISONS.

47	Convict Establishments at Home.....	388,100	0	0			
48	Convicts in the Colonies	13,238	1	5			
49	Expenses of Transportation.....	25,782	0	0			
50	Maintenance in County Gaols, etc.	205,544	0	0			
51	Prisons—Transportation	18,000	0	0			
52	Superintendence of Prisons.....	18,545	0	0			
					669,209	1	5
					£3,184,670	14	5

XVI.—EDUCATION, SCIENCE, AND ART.

CLASS 4.

Finance Accounts, pages 77 to 83.

		£	s.	d.
1	Belfast Professors, etc.	1,962	10	0
2	British Museum	101,850	0	0
3	Commissioners of Education—Ireland	400	0	0
4	Education—Great Britain	753,167	0	0
5	Ditto Ireland	234,468	0	0
6	National Gallery	13,670	0	0
7	Queen's Colleges—Ireland	4,800	0	0
8	Ditto University ditto	2,371	0	0
9	Royal Geographical Society	500	0	0
10	Royal Irish Academy	500	0	0
11	Royal Society	1,000	0	0
12	Science and Art Department	99,951	0	0
13	Scientific Works and Experiments	4,229	0	0
14	Universities—Scotland	9,730	0	0
15	University of London	4,754	0	0
		£1,233,352	10	0

XVII.—DIPLOMATIC, COLONIAL, AND CONSULAR.

CLASS 5.

Finance Accounts, pages 77 to 83.

1	Bermudas	4,300	0	0
2	British Columbia	30,000	0	0
3	Captured Negroes	14,000	0	0
4	Clergy—North America	3,068	4	11
5	Commissioners for Suppression of Slave Trade	10,050	0	0
6	Consuls Abroad	222,229	0	0
7	Emigration	10,000	0	0
8	Establishments in China, Japan, and Siam	60,000	0	0
9	Falkland Islands	9,722	0	0
10	Governors, etc., West Indies	24,728	0	0
11	Heligoland	960	0	0
12	Indian Department—Canada	441	0	0
13	Ministers Abroad—Extraordinary Expenses	38,000	0	0
14	St. Helena	6,003	12	11
15	Western Australia	3,000	0	0
16	Western Coast of Africa	15,060	0	0
		£451,561	17	10

		£	s.	d.	£	s.	d.
	Brought forward.....						
	Paid out of Consolidated Fund, pages 47 to 49.						
17	Argentine Confederation	3,851	16	7			
18	Austria	8,310	8	6			
19	Bavaria	4,967	4	4			
20	Belgium	4,750	0	0			
21	Brazil.....	5,692	0	0			
22	Chili	2,000	0	0			
23	Denmark	4,707	4	0			
24	Equator	328	0	0			
25	France	12,560	12	1			
26	Frankfort	3,828	12	4			
27	Greece	3,518	16	0			
28	Guatemala.....	627	1	6			
29	Holland	4,746	9	2			
30	Hanover	3,809	13	0			
31	Mexico	5,398	8	0			
32	Montevideo	1,751	0	3			
33	Morocco.....	358	2	1			
34	New Granada	1,965	0	0			
35	Persia.....	6,126	17	7			
36	Peru	2,383	12	5			
37	Portugal.....	5,125	19	3			
38	Prussia	7,057	17	10			
39	Russia	8,094	6	9			
40	Sardinia.....	5,459	10	0			
41	Saxony	3,150	0	0			
42	Spain	6,073	10	8			
43	Sweden	3,899	3	3			
44	Switzerland	2,650	0	0			
45	Turkey	10,732	13	10			
46	Tuscany.....	957	7	2			
47	Two Sicilies	5,644	0	0			
48	United States	6,693	7	10			
49	Venezuela	1,700	0	0			
50	Wurtemburg.....	3,081	5	7			
		152,000	0	0			
51	Pensions (per Act 2 & 3 Will. IV. c. 116)	20,457	14	1			
					172,457	14	1
					£624,019	11	11

XVIII.—SUPERANNUATIONS AND CHARITIES.

CLASS 6.

Finance Accounts, pages 79 and 84.

		£	s.	d.
1	Concordatum Fund	8,847	0	0
2	Hospitals—Board of Superintendence, Dublin	220	0	0
3	Ditto Coome Lying-in, ditto...	200	0	0
4	Ditto Cork Fever, ditto...	2,500	0	0
5	Ditto Dr. Stevens' ditto...	1,300	0	0
6	Ditto House of Industry, ditto...	7,100	0	0
7	Ditto Neath, ditto...	300	0	0
8	Ditto Rotunda Lying-in, ditto...	700	0	0
9	Ditto St. Mark's Ophthalmic, ditto...	100	0	0
10	Ditto Westmoreland Lock, ditto...	3,500	0	0
11	Miscellaneous Charges formerly on Civil List	3,281	0	0
12	Non-conforming Ministers—Ireland	29,693	0	0
13	Polish Refugees	2,853	0	0
14	Public Infirmaries—Ireland.....	1,900	0	0
15	Refuge for the Destitute	325	0	0
16	Superannuations..... ..	173,489	0	0
17	Toulonnese and Corsican Emigrants... ...	1,110	0	0
		£237,418	0	0

XIX.—SPECIAL AND TEMPORARY OBJECTS.

CLASS 7.

Finance Accounts, pages 77 to 85.

1	Agricultural Statistics—Ireland	3,100	0	0
2	Boundary Survey—Ireland	350	0	0
3	Bounties on Slaves, and Tonnage Bounties	25,000	0	0
4	Brehon Laws—Ireland	600	0	0
5	British Caffraria.....	1,000	0	0
6	British Embassy House, Paris	2,000	0	0
7	British Historical Portrait Gallery.....	2,000	0	0
8	British Museum, Drawings by Old Masters	2,273	10	6
9	Commissioners—Charity, England.....	17,070	0	0
10	Ditto Ecclesiastical	3,250	0	0

Brought forward.....

		£	s.	d.
	Brought forward.....			
11	Commissioners of Highland Roads and Bridges	5,000	0	0
12	Ditto Sundry Temporary	37,480	0	0
13	Crinan and Caledonian Canals.....	5,260	0	0
14	Courts of Law, Dublin, Extension of.....	14,000	0	0
15	Distressed Seamen Abroad	20,000	0	0
16	Dues under Treaties of Reciprocity	53,000	0	0
17	Fiji Islands Inquiry	680	0	0
18	Fishery Board—Scotland.....	9,698	0	0
19	Foreign Office, Temporary Accommodation	4,000	0	0
20	Freight of Specie	37,442	0	0
21	General Register House, Edinburgh	7,740	0	0
22	Havelock Statue	1,092	0	0
23	Inspection of Burial Ground	1,500	0	0
24	Inspector of Corn Returns	3,500	0	0
25	King's College, Aberdeen—Repairs	800	0	0
26	Lighthouses Abroad	38,700	0	0
27	Local Assessments on Government Property	30,000	0	0
28	Local Government Act Office	5,010	0	0
29	Merchant Seamen's Fund Pensions	58,700	0	0
30	National Gallery—Additional Accommodation	11,000	0	0
31	Ditto Dublin	5,000	0	0
32	Newhaven Harbour—Sussex	1,250	0	0
33	Niger Expedition—Dr. Baikie	7,000	0	0
34	North American Exploring Expedition ...	6,300	0	0
35	Orange River Territory	1,000	0	0
36	Patent Law Amendment Act Fees	18,229	0	0
37	Patent Office Salaries	9,395	0	0
38	Police at Aldershott and Shornecliffe.....	1,000	0	0
39	Probate Court, Premises for	10,000	0	0
40	Professor Hansen of Gotha	1,000	0	0
41	Quarantine Expenses	3,500	0	0
42	Registration of Designs	1,703	0	0
43	Ditto of Joint Stock Companies ...	1,060	0	0
44	Revising Barristers—England and Wales	17,850	0	0
45	Reward to Captain McClintock and Crew, etc.	5,000	0	0
	Carried forward.....			

		£	s.	d.
	Brought forward.....			
46	Serpentine River, Hyde Park	12,500	0	0
47	Site for Foreign Office	25,000	0	0
48	Statue of Richard Cœur de Lion.....	1,200	0	0
49	Submarine Cable to Gibraltar	64,000	0	0
50	Submarine Telegraph Company	26,000	0	0
51	Telegraph between Rangoon and Singapore	87,000	0	0
52	Trustees of Manufactures—Scotland	2,000	0	0
53	Wellington Monument	2,600	0	0
54	Ditto Testimonial, Phœnix Park ...	500	0	0
55	Westminster Bridge	58,170	0	0
56	Ditto Approaches	3,200	0	0
57	Windsor Castle Improvements	6,000	0	0
58	Zambesi Expedition, Dr. Livingstone.....	5,000	0	0
		£783,702	10	6

XX.—CIVIL LIST.

Finance Accounts, page 40.

	£	s.	d.
Sum appropriated out of the Consolidated Fund in the year ended 31st March, 1861, on account of the 1st, 2nd, 3rd, 4th, 5th, and 6th Clauses	385,000	0	0
Charges in the same year for Pensions granted per Act 1 Vict., c. 2, class 5.....	18,160	0	0
	£403,160	0	0

XXI.—ANNUITIES AND PENSIONS.

Finance Accounts, pages 41 *to* 44.

1	Annuities to the Royal Family.....				143,235	3 2
	PENSIONS.					
2	Naval and Military Services				37,997	9 0
3	Civil Services				38,077	11 10
4	Judicial Services				72,570	15 6
5	Hereditary Pensions—					
	Duke of Marlborough	4,000	0	0		
	Heirs of the Duke of Schomberg	2,160	0	0		
	Moiety of Earl Bath's Pension	1,200	0	0		
					7,360	0 0

Carried forward.....

		£	s.	d.
	Brought forward.....			
6	Servant of George III.	1,221	11	8
7	Ditto Queen Charlotte.....	1,119	9	4
8	Ditto Queen Caroline	279	12	0
9	Pensions formerly on the Civil List of their late Majesties, George IV. and William IV., the Hereditary Revenues of Scotland, and 4½ per Cent. Duties...	33,253	17	1
10	Trustees of Mrs. Sarah Hamilton and Children	625	0	8
11	Annuities granted in Ireland	447	8	10
12	Pensions formerly on Civil List, Ireland	9,584	0	6
		£345,771	19	7

XXII.—INTEREST ON LOANS, SECRET SERVICE, ETC.

Finance Accounts, page 62.

1	Interest and Sinking Fund on Russian Dutch Loan.....	80,761	9	4
2	Ditto ditto on Greek Loan	47,306	4	4
3	Commissioners of Greenwich Hospital ...	20,000	0	0
4	Secret Service formerly charged on Civil List	10,000	0	0
5	Receiver-General Duchy of Lancaster, Annuity in Lieu of Prisage and Butlerage of Wines imported into the Ports of that County.....	803	0	0
6	Receiver-General Duchy of Cornwall, compensation for Loss of Duties on the Coinage of Tin.....	16,216	15	0
7	Compensations to sundry Persons for the Loss of their Offices on the Abolition of the Duties on the Coinage of Tin	227	0	0
8	Wine Drawback Allowances	288,218	0	3
9	Expenses of constructing Fortifications...	50,000	0	0
10	Moiety of the Expense of the Annual Revision of the Valuation of the Rateable Property in Ireland	5,000	0	0
		£518,532	8	11

XXIII.—CIVIL CONTINGENCIES.

Finance Accounts, pages 80 *and* 85.

	£	s.	d
Supply, 1859–60	32,000	0	0
„ 1860–61	125,000	0	0
	£157,000	0	0

GENERAL SUMMARY.

No. X.—Interest and Management of the National Debt	26,231,018	9	10
„ XI.—Army and Navy	31,345,564	3	11
„ XII.—Collection and Management of Revenue Departments	5,679,703	0	11
„ XIII.—Public Works and Buildings	639,711	0	0
„ XIV.—Salaries and Expenses of Public Departments	1,580,911	14	1
„ XV.—Justice	3,184,670	14	5
„ XVI.—Education, Science, and Art	1,233,352	10	0
„ XVII.—Diplomatic, Colonial, and Consular	624,019	11	11
„ XVIII.—Superannuations and Charities	237,418	0	0
„ XIX.—Special and Temporary Objects	783,702	10	6
„ XX.—Civil List	403,160	0	0
„ XXI.—Annuities and Pensions	345,771	19	7
„ XXII.—Interest on Loans, Secret Service, etc.	518,532	8	10
„ XXIII.—Civil Contingencies	157,000	0	1
	£72,964,536	4	1

The following Copy of the Official Return to the House of Commons shows the articles now charged with Customs' duties, and the amount collected on each article :—

CUSTOMS.—UNITED KINGDOM.

RETURN, FOR THE YEAR ENDING 31ST MARCH, 1861, OF THE TOTAL GROSS CUSTOMS REVENUE, SHOWING THE AMOUNT COLLECTED ON EACH ARTICLE CHARGED WITH DUTY.

ARTICLES.	Gross Amount of Customs Duty received in the United Kingdom in the Year ending 31st March, 1861.
	£
Beer, Mum, Spruce, and unenumerated	3,529
Books	5,218
Cards, Playing	3
Chicory	11,697
Chloroform	1
Cocoa, Cocoa Husks, and Chocolate	15,183
Coffee	441,415
Corks, ready made	5,840
Corn, Meal and Flour	874,702
—— Articles assimilated to Corn, Meal and Flour, in respect of the rates of Duty chargeable thereon, viz.:—	
Arrowroot, Barley (Pearled), Biscuit and Bread, Cassava Powder, Mandioca Flour, Manna Croup, Potato Flour, Powder, Hair (perfumed and unenumerated), Rice Dust and Meal, Sago, Semolina, Starch and Gum of Starch, Tapioca, Vermicelli, and Maccaroni	4,864
Currants	225,180
Figs	25,946
—— Fig Cake	511
Gloves, of Leather	8,484
Hats, of Chip	1
—— of Bast, Cane or Horsehair	6
—— of Straw	317
Hops	47,438
Paper, Paper Hangings, or Flock Paper	1,771
—— Of other sorts	33,666
—— Millboards and Pasteboard	388
—— Paper of the manufacture of the Isle of Man and the Channel Islands	530
Pepper	97,458
Pickles, preserved in Vinegar	41
Plate	3,566
Plums, dried, French Plums and Prunelloes	3,383
Prints and Drawings	886

ARTICLES.	Gross Amount of Customs Duty received in the United Kingdom in the Year ending 31st March, 1861.
	£
Prunes	5,816
Raisins	97,688
Ships, on registration as British	4,337
Spirits, Rum	1,733,735
——— Brandy	748,062
——— Geneva	107,438
——— Other sorts	36,009
——— Varnish containing Spirits	137
——— Water, Cologne	249
Sugar, Unrefined	5,803,927
——— Refined and Sugar Candy	234,604
——— Cane Juice	7,372
——— Molasses	144,489
——— Articles assimilated to Sugar in respect of the rates of Duty chargeable thereon, viz.:— Almond Paste, Cherries (Dried), Comfits, Confectionery, Ginger (Preserved), Marmalade, Plums (preserved in Sugar), and Succades	5,594
Tea	5,422,209
Tobacco and Snuff	5,630,127
Vinegar	406
Wine	1,210,503
Wood, Hewn	65,916
——— Sawn or split, planed or dressed	162,388
——— Staves	3,466
——— Firewood	5,607
——— Hoops	325
——— Lathwood	3,831
——— Shovel Hilts	6
——— Of certain kinds formerly admitted free for Ship-building purposes, and Treenails	803
——— Furniture and Hard Woods	2,798
Add,—Sums brought to account within the year for duties on deficiencies in the stocks of goods in bonded warehouses, etc.	4,134
Aggregate Receipt of Customs Duties on Imported Articles	23,254,000
Charges on deliveries from the bonded warehouses, and on import entries and bills of lading (under Acts 23 Vict. c. 22, and 23 & 24 Vict. c. 110)	182,998

ARTICLES.	Gross Amount of Customs Duty received in the United Kingdom in the Year ending 31st March, 1861.
	£
Duties collected at the Isle of Man	29,167
Rents of legal quays, warehouse rents, etc.	18,050
Proceeds of goods sold for the duties, etc.	10,922
Fees received under Merchant Shipping Act, Part 2	819
Proceeds of sale of old stores, etc.	11,460
Moneys received from the merchants in respect of the special attendance of officers given on their application	9,405
TOTAL GROSS REVENUE of CUSTOMS...	£23,516,821

Office of the Inspector-General of Imports and Exports, Custom House, London, 13th August, 1861. } *John A. Messenger.*

CUSTOMS.—UNITED KINGDOM.

RETURN OF THE TOTAL NET CUSTOMS REVENUE, AFTER DEDUCTING COST OF COLLECTION, AND ALL OTHER CHARGES; YEAR ENDED 31ST MARCH, 1861.

		£	s.	d.
Gross receipt of Customs		23,516,821	8	0
Repayments by debentures and certificates		238,571	4	8
Net Revenue		23,278,250	3	4
	£ s. d.			
Charges of collection	758,964 6 10			
Law charges	8,064 14 10			
Expenses under Merchant Shipping Act	3,285 11 3			
		770,314	12	11
TOTAL NET REVENUE, after deducting Cost of Collection and all other Charges		£22,507,935	10	5

Office of Comptroller General, Custom House, January, 1862. } *H. W. Dobell,* Comptroller General.

RETURN of the COST incurred in the COLLECTION of the CUSTOMS REVENUE, specifying the Amount expended under each Head, such as Salaries, Law Charges, Rents and Taxes, Travelling Expenses, etc.; Year ended 31st March, 1861.

HEADS OF EXPENDITURE.	AMOUNT.			TOTAL.		
CHARGES OF COLLECTION.	£	s.	d.	£	s.	d.
Salaries to established officers...	596,002	14	0			
Day pay to ditto ...	50,599	11	11			
				646,602	5	11
Pay to extra and glut officers, and extra clerks	35,861	3	0			
Wages and victualling.....	1,620	1	11			
Pay for extra attendance of officers, and for special services...	9,205	2	4			
Travelling charges and subsistence	10,242	12	10			
Rent and repairs of buildings...	20,097	16	2			
Rent of warehouses for tobacco	10,627	6	4			
Rates, taxes, tithes and insurance	5,215	13	0			
Postage	728	10	9			
Fuel and light	3,462	12	0			
Purchase and repairs of boats, including stores	2,373	2	1			
Other tradesmen's bills	7,162	9	5			
Miscellaneous expenses, including carriage of parcels	5,765	11	1			
				112,362	0	11
				£758,964	6	10
LAW CHARGES, etc.						
Law charges	3,830	8	11			
Subsistence of prisoners	199	15	10			
Rewards to officers for the capture of smugglers	22	10	0			
Rewards for seizures, including informers' shares	1,716	16	2			
Rewards on account of penalties recovered, including informers' shares	2,074	18	10			
Expenses incurred in the custody and disposal of goods seized	30	7	4			
Other incidental expenses	189	17	9			
				£8,064	14	10

Heads of Expenditure.	Amount.	Total.
Merchant Shipping Act.	£ s. d.	£ s. d.
Expenses incurred in the conduct of suits and prosecutions	644 10 5	
Expenses in measuring vessels	2,501 13 2	
Tradesmen's bills	75 15 2	
Other expenses	63 12 6	
	£	3,285 11 3

ABSTRACT.

	£ s. d.
Total Charges of Collection.....	758,964 6 10
Total Law Charges, etc.	8,064 14 10
Total Merchant Shipping Act	3,285 11 3
Total	£770,314 12 11

Office of the Comptroller General,
Custom House, London,
31st January, 1862.

H. W. Dobell,
Comptroller General.

The following Abstract from the same Return, arranged in this convenient form, is taken from the Financial Reformer, 1st April, 1862.

The odd shillings and pence are omitted in the columns, but their totals are included in the pounds.

The places marked *, are inland bonding towns.

ABSTRACT.

Class I.—£1,000,000 and upwards.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.
		£	£	£ s. d.
Bristol . . .	144	15,146	1,247,634	1 4 3
Dublin . . .	120	18,353	1,003,418	1 16 6
Liverpool . . .	860	110,953	3,343,518	3 6 4
London . . .	1970	339,798	11,930,987	2 17 0
	3094	484,252	17,525,559	2 15 3

Class II.—Between £100,000 and £1,000,000.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.		
		£	£	£	s.	d.
Belfast . . .	67	8,478	393,062	2	3	1
Cork . . .	73	10,277	289,352	3	11	0
Glasgow . . .	120	15,460	906,895	1	14	1
Greenock . . .	90	10,289	834,085	1	4	9½
Hull . . .	154	21,506	257,982	8	6	10½
Leith . . .	88	12,820	468,687	2	14	8
Limerick . . .	24	2,923	165,615	1	15	3
Londonderry . .	22	4,465	124,882	2	11	6
Manchester* . .	7	651	202,242	0	6	5
Newcastle . .	72	9,961	257,902	3	17	2
Plymouth . .	71	8,289	215,132	3	17	0
	788	105,122	4,115,848	2	11	0

Class III.—Between £50,000 and £100,000.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.		
		£	£	£	s.	d.
Aberdeen . . .	30	3,449	94,158	3	13	3
Chester . . .	9	1,280	69,163	1	17	0
Dundee . . .	41	4,397	60,367	7	5	8
Exeter . . .	16	2,460	98,761	2	9	9
Gloucester . .	38	4,340	75,536	5	14	10
Port Glasgow . .	6	1,038	88,018	1	3	7
Preston . . .	9	1,223	68,690	1	15	7
Southampton . .	89	13,135	82,065	16	0	0
Stockton . . .	11	3,241	76,110	4	5	1
Sunderland . .	63	7,467	90,942	8	4	2
Waterford . .	29	3,922	81,172	4	16	7
Whitehaven . .	13	2,126	66,628	3	3	9
	354	48,083	951,616	5	1	0

Class IV.—Between £20,000 and £50,000.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.		
		£	£	£	s.	d.
Boston . . .	7	1,019	32,597	3	2	6
Carlisle . . .	5	856	28,644	2	19	9
Douglas . . .	24	2,060	23,951	8	12	0
Dundalk . . .	4	629	44,633	1	8	2
Galway . . .	13	1,656	31,148	5	6	3
Goole . . .	8	1,365	46,295	2	18	11
Grimsby . . .	30	3,871	24,767	15	12	7
Hartlepool . .	52	5,886	30,757	19	3	4
Ipswich . . .	8	1,492	20,126	7	7	12
Newry . . .	11	1,508	28,999	5	4	0
Portsmouth . .	28	3,695	26,222	14	2	2
Ross . . .	7	897	22.327	4	0	4
Shields . . .	59	7,077	49,017	14	8	9
Sligo . . .	9	1,661	21,373	7	15	5
Yarmouth . . .	18	2,282	22,818	10	0	0
	283	35,961	453,681	7	18	6

Class V.—Between £10,000 and £20,000.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.		
		£	£	£	s.	d.
Arbroath . . .	7	739	12,881	5	14	8
Cardiff . . .	50	5,201	12,937	40	4	0
Colchester . .	9	1,089	14,278	7	12	6
Drogheda . .	5	878	10,962	8	0	2
Folkestone . .	29	5,410	19,963	27	2	0
Gainsborough . .	3	505	11,274	4	9	8
Grangemouth . .	24	2,384	12,161	19	12	0
Kirkaldy . . .	9	1,312	11,528	11	7	7
Lancaster . .	11	1,346	18,232	7	7	7
Lynn . . .	11	1,339	15,383	8	14	1
Montrose . . .	14	1,259	16,527	7	12	4
Newport . . .	26	2,859	12,475	22	18	4
Penzance . . .	14	1,549	12,406	12	9	8
Perth . . .	6	750	15,701	4	15	6
Tralee . . .	7	792	16,082	4	18	5
Truro . . .	7	1,026	11,154	9	3	11
Wexford . . .	11	1,447	16,280	8	17	9
Weymouth . .	13	1,641	11,703	14	0	3
	256	31,534	251,936	12	10	4

Class VI.—Between £5,000 and £10,000.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.		
		£	£	£	s.	d.
Ballina	2	437	7,126	6	2	7
Barnstaple	3	610	7,644	7	19	7
Berwick	6	956	9,530	10	0	7
Bridgewater	10	1,342	9,215	14	11	3
Carnarvon	10	1,312	8,353	15	14	1
Coleraine	6	686	8,225	8	6	9
Dover	26	3,669	8,825	41	11	6
Dumfries	6	955	7,656	12	9	5
Falmouth	22	2,583	7,857	32	17	6
Inverness	13	1,896	6,722	28	4	1
Irvine	9	1,316	6,438	20	8	0
Maryport	5	681	6,611	10	6	9
Newhaven	22	3,190	5,178	61	12	1
Poole	9	1,341	5,356	25	0	9
Ramsay	5	485	5,252	9	4	8
Rochester	16	1,835	6,359	28	17	1
Swansea	32	3,131	8,218	38	1	11
Westport	4	651	5,046	12	18	0
Whitby	4	550	6,324	8	13	11
	210	27,636	135,944	20	6	6

Class VII.—Between £2,000 and £5,000.

		£	£	£	s.	d.
Alloa	5	633	3,785	16	14	5
Ayr	4	581	4,995	11	12	7
Banff	6	882	4,979	17	14	1
Bideford	7	933	3,753	24	17	2
Bradford*	3	41	4,335	0	18	10
Bridport	4	520	2,591	20	1	4
Chepstow	5	615	4,115	14	18	10
Cowes	9	1,235	3,478	35	10	2
Dartmouth	10	1,603	3,552	45	2	7
Fleetwood	6	643	2,990	21	10	1
Fowey	9	1,201	2,121	56	12	5
Llanelly	14	1,589	2,343	67	17	4
Lowestoft	11	988	3,943	25	1	1
Peterhead	8	842	2,084	40	8	0
Ramsgate	7	1,132	2,012	56	5	2
Scarborough	4	524	3,287	15	18	9
Shoreham	10	1,343	4,786	28	1	7
Skibbereen	2	643	2,424	26	10	6
Wisbeach	5	821	3,812	21	10	8
Workington	4	403	2,941	13	14	4
	133	17,183	68,337	25	2	10

Class VIII.—Under £2,000.

	No. of Persons.	Salaries and Charges.	Gross Amount Collected.	Rate per Cent. of Cost of Collection.		
		£	£	£	s.	d.
Aberystwith . .	6	617	245	251	16	8
Arundel . . .	10	1,189	1,328	89	10	7
Beaumaris . .	10	1,012	1,048	96	11	3
Borrowstones . .	5	654	721	90	14	1
Campbeltown . .	4	471	17	2770	11	9
Cardigan . . .	3	422	65	649	4	9
Deal	6	668	1,806	36	19	9
Faversham . .	5	615	1,327	46	6	10
Guernsey . . .	12	1,169	49	2385	14	3
Harwich . . .	10	1,263	1,746	72	6	8
Jersey	11	1,741	154	1130	10	4
Kirkwall . . .	8	780	93	838	14	2
Lerwick . . .	5	493	51	966	13	4
Lyme	4	453	525	86	5	9
Maldon . . .	8	875	272	321	13	9
Middlesboro' . .	12	152	140	108	11	5
Milford . . .	14	1,337	645	207	5	8
Padstow . . .	4	574	142	404	4	6
Rye	5	662	278	238	2	7
St. Ives (Creek) .	—	161	215	74	17	8
Scilly . . .	3	387	85	455	5	10
Stornoway . .	4	473	43	1100	0	0
Strangford . .	2	370	172	215	2	3
Stranraer . . .	3	372	79	470	17	8
Teignmouth . .	5	666	655	101	13	7
Wells	3	500	164	304	17	6
Wick	9	1,264	1,138	111	1	5
Wigtown . . .	7	705	54	1305	11	1
Woodbridge . .	4	[illegible]	628	76	15	0
	182	20,539	13,898	147	15	8

RECAPITULATION.

				Gross Amt. Collected.	Rate per Ct. of Cost of Collection.		
				£	£	s.	d.
£1,000,000 and upwards . .				17,525,558	9	15	3
Between £100,000 and £1,000,000				4,115,848	2	11	4
„ 50,000 „ 100,000				951,616	5	1	9
„ 20,000 „ 50,000				453,681	7	18	6
„ 10,000 „ 20,000				251,936	12	10	11
„ 5,000 „ 10,000				185,944	20	6	6
„ 2,000 „ 5,000				68,337	25	2	10
Under 2,000 . . .				13,898	147	15	8
	123	5,300	770,314	23,516,621	8	5	6

The facts disclosed by this Official Return are deserving of particular attention.

By this classification the working of the present system is strikingly displayed.

It will be seen that the rate per cent. of Cost of Collection is, pretty generally, in an inverse ratio to the amount collected; and that this operates—in most cases in Class VIII.—to make the Cost of Collection very much more than the amount collected.

Thus, in Class I. including London, Liverpool, Bristol, and Dublin, where the Gross Amount collected at each of these Ports is £1,000,000, and upwards, the highest rate per cent. of Cost of Collection is, £3. 6*s*. 4*d*., and the lowest, £1. 4*s*. 3*d*., on the total is, £2. 15*s*. 3*d*. per cent.

In Class II. including 11 Ports, between £100,000 and £1,000,000, the highest per centage is £8. 6*s*. 10½*d*., and the lowest, 6*s*. 5*d*., and on the total, £2. 11*s*. 0*d*. per cent.

In Class III. including 12 Ports, between £50,000, and £100,000, the highest per centage is £16., and the lowest, £1. 3*s*. 7*d*., and on the total, £5. 1*s*. 0*d*. per cent.

In Class IV. including 15 Ports, between £20,000, and £50,000, the highest per centage is £19. 3*s*. 4*d*., and the lowest, £1. 8*s*. 2*d*., and on the total, £7. 18*s*. 6*d*.

In Class V. including 18 Ports, between £10,000 and £20,000, the highest per centage is £40. 4*s*. 0*d*., and the lowest, £4. 9*s*. 8*d*., and on the total, £12. 10*s*. 4*d*.

In Class VI. including 19 Ports, between £5,000 and £10,000, the highest per centage is £61. 12*s*. 1*d*.; the lowest, £6. 2*s*. 7*d*.; and on the total, £20. 6*s*. 6*d*.

In Class VII. including 20 Ports, between £2,000 and £5,000, the highest per centage is, £67. 17*s*. 4*d*.; the lowest £0. 18*s*. 10*d*.; and on the total, £25. 2*s*. 10*d*.

In Class VIII. including 29 Ports, under £2,000, the

highest per centage is, £2,770. 11*s.* 9*d.*; the lowest, £36. 19*s.* 9*d.*; and on the total, £147. 15*s.* 8*d.*

In this last Class is entered Guernsey, where, it appears, we paid, in 1861, £1,169 to 12 persons, for collecting £49. and Jersey, £1,741, to 11 persons,—for collecting £154.

If this System is to be maintained, it may be necessarry to keep up establishments at the 29 Ports in Class VIII. at the expense of £20,539 a year, although the total of the year's receipts be only £13,898, but very strong reasons seem to be required for reconciling such incongruities as these with common sense and prudence!

The only argument ever advanced in support of this system is,—*necessity.* But if it be shown that there is no necessity,—what can be said for all this folly and injustice?

Even the "ingenious advocate of concealment" justifies only on the ground of necessity, which he assumes, but does not attempt to prove.

The following is a very natural remark, and self evident truth, by Mr. Henry Lloyd Morgan, which appeared in the "London Mercantile Journal" of the 15th April 1862:—"The Customs duties for the financial year, ending 31st March, 1861, amounted to £23,020,314, of which the sum of £22,622,878 was derived from nine articles only, being Coffee, Corn, Currants, Spirits, Sugar, Tea, Tobacco, Wine and Wood; the remaining £397,436 being composed of numerous small duties, exceedingly annoying to trade, and, probably, costing so large a per centage in the collection that, the net loss to the revenue would be inconsiderable; while, to the community, the benefit of removing these acknowledged hindrances to trade would be incalculable."

The following, from the same official source, shows the last Return of

INLAND REVENUE.

RETURN of the TOTAL GROSS INLAND REVENUE collected, specifying the Amount received under each Head, such as Excise, Property and Income Tax, Assessed Taxes, and Stamps, for the Year ended the 31st day of March, 1861.

	INLAND REVENUE, Year ended 31st March, 1861.
	Gross Amount received.
	£
Excise	20,147,678
Property and Income Tax	11,158,883
Land and Assessed Taxes	3,149,385
Stamps	8,634,094
Total	£43,090,040

Inland Revenue Office, 8th February, 1861.

Chas. S. Hawthorne, Chief Accountant.

RETURN of the TOTAL INLAND REVENUE, after deducting Cost of Collection, and all other incidental Charges, for the Year ended the 31st day of March, 1861.

	INLAND REVENUE.				
	Gross Amount received.	Drawbacks, Discounts, and other Parliamentary Allowances.	Net Amount received, after deducting Drawbacks, etc.	Cost of Collection, and other Charges.	Net Amount after deducting Cost of Collection.
	£	£	£	£	£
Year ended 31st March, 1861.	43,090,040	1,070,908	42,019,132	1,546,904	40,472,228

Inland Revenue Office, 8th February, 1862.

Chas. S. Hawthorne, Chief Accountant.

RETURN of the TOTAL NET AMOUNT of INLAND REVENUE received under each Head, such as Excise, Property and Income Tax, Assessed Taxes, and Stamps, for the Year ended 31st day of March, 1861.

	INLAND REVENUE, Year ended 31st March, 1861.
	Net Amount received.
	£.
Excise	19,548,133
Property and Income Tax	10,957,060
Land and Assessed Taxes	3,145,070
Stamps	8,368,869
Total	£42,019,132

Inland Revenue Office,
8th February, 1862.

Chas. S. Hawthorne,
Chief Accountant.

The following Statistical Abstracts will bring the Revenue and Expenditure, etc., of this Country from the year 1846, to the present time, sufficiently before the reader for all the purposes of these pages. Nor is it unimportant for those who enter into the consideration of the changes here proposed, that they should be previously well acquainted with these figures, which are taken from the Government Accounts, and, at least, represent so much money taken from the pockets of the People, if nothing more which can be relied on.

STATISTICAL ABSTRACT.

REVENUE, EXPENDITURE, ETC.

No. 1.—TOTAL AMOUNT of the REVENUE and EXPENDITURE of the UNITED KINGDOM, with the SURPLUS or DEFICIENCY of REVENUE.

Years.	Net Revenue paid into the Exchequer.*	Expenditure out of Revenue paid into the Exchequer.†	Surplus of Revenue.	Deficiency of Revenue.
	£	£	£	£
1846	53,790,138	50,943,830	2,846,308	—
1847	51,546,264	54,502,948	. . . .	2,956,684
1848	53,388,717	54,185,136	. . . .	796,419
1849	52,951,749	50,853,623	2,098,126	—
1850	52,810,680	50,231,874	2,578,806	—
1851	52,233,006	49,506,610	2,726,396	—
1852	53,210,071	50,792,512	2,417,559	—
1853	54,430,344	51,174,839	3,255,505	—
1854	56,822,509	60,031,568	. . . .	3,209,059‡
1855	63,364,605	84,505,788	. . . .	21,141,183‡
1856	68,008,623	78,113,035	. . . .	10,104,412‡
1857	66,056,055	66,019,958§	36,097	—
1858	61,812,555	60,684,898	1,127,657	—
1859	61,660,090	63,679,674	—	2,019,584
1860	67,458,093	68,069,231	—	611,138

* After deducting Payments for Collection of Revenue.
† Exclusive of Payments for Collection of Revenue.
‡ Provided for by Loans and Exchequer Bills and Bonds.
§ Including £2,000,000 Exchequer Bonds Redeemed, and £1,125,206 for Redemption of Sound Dues.

No. 2.—Net Amount of the several Branches of the Revenue of the United Kingdom paid into the Exchequer (after deducting Payments for Collection of Revenue).

Years.	Customs.	Excise.	Stamps.	Taxes.	Property Tax.	Post Office.	Duties on Pensions, Offices, etc.	Small Branches and Hereditary Revenue.	Surplus Fees, regulated Offices.	Crown Lands.	Old Stores Imprests, Unclaimed Dividends.	Total.	Years.
	£	£	£	£	£	£	£	£	£	£	£	£	
1846	20,568,909	13,988,310	7,505,180	4,272,409	5,395,391	845,000	4,438	24,047	226,518	120,000	839,936	53,790,138	1846
1847	20,024,431	12,883,678	7,527,543	4,334,561	5,450,800	923,000	4,721	8,187	106,880	77,000	205,463	51,546,264	1847
1848	20,999,132	14,154,055	6,643,772	4,314,704	5,347,365	815,000	4,559	9,202	53,548	81,000	966,378	53,388,717	1848
1849	20,636,921	13,985,363	6,867,548	4,303,849	5,408,160	832,000	4,562	42,342	70,022	160,000	540,982	52,951,749	1849
1850	20,442,170	14,316,084	6,558,332	4,360,179	5,383,037	820,000	4,762	16,331	116,246	160,000	633,539	52,810,680	1850
1851	20,615,338	14,442,081	6,385,082	3,563,962	5,304,923	1,069,000	4,424	25,826	108,916	150,000	563,454	52,233,006	1851
1852	20,551,542	14,835,073	6,761,634	3,377,843	5,509,637	1,022,000	4,423	14,851	110,097	260,000	762,971	53,210,071	1852
1853	20,902,734	15,337,724	6,975,417	3,153,867	5,588,172	1,104,000	4,635	16,670	105,071	402,888	839,166	54,430,344	1853
1854	20,777,714	16,129,843	7,078,005	3,040,548	7,456,025	1,288,234	2,349	8,257	88,567	271,572	681,395	56,822,509	1854
1855	20,987,752	16,389,486	6,805,605	2,945,784	13,718,185	1,137,220	1,905	61,056	96,457	280,516	940,639	63,364,605	1855
1856	22,370,779	17,357,459	7,102,515	2,956,604	15,717,155	1,248,148	2,538	4,426	99,849	284,857	864,293	68,008,623	1856
1857	21,276,743	16,685,604	7,099,889	2,940,771	14,808,328	1,293,971	2,232	31,057	128,105	273,654	1,515,701	66,056,055	1857
1858	23,018,138	17,069,565	7,796,048	2,973,525	7,335,796	1,211,051	—	25,769	114,842	277,441	1,990,380	61,812,555	1858
1859	23,768,981	18,144,118	7,752,592	3,059,372	5,891,439	1,348,784	—	5,450	115,939	282,079	1,291,836	61,660,090	1859
1860	21,997,513	18,188,605	8,046,709	2,947,716	12,696,655	1,447,869	—	16,469	136,194	289,568	1,690,795	67,458,093	1860

No. 3.—Amount of the various Branches of the Expenditure of the United Kingdom out of Revenue Paid into the Exchequer. (Exclusive of Payments for Collection of Revenue.)

Years.	Interest and Management of National Debt.					Civil List and Civil Charges of all kinds.	Forces.			Total Expenditure.	Years.
	Funded.			Unfunded.	Total of Funded and Unfunded.		Army, including Ordnance.	Navy.	Total.		
	Permanent.	Terminable Annuities.	Total.								
	£	£	£	£	£	£	£	£	£	£	
1846	23,739,573	3,916,982	27,656,555	421,432	28,077,987	6,001,145	9,061,233	7,803,465	16,864,698	50,943,830	1846
1847	23,799,260	3,905,974	27,705,234	436,298	28,141,532	7,859,269	10,488,274	8,013,873	18,502,147	54,502,948	1847
1848	23,978,113	3,795,077	27,773,190	790,327	28,563,517	7,975,924	9,723,408	7,922,287	17,645,695	54,185,136	1848
1849	23,991,942	3,725,994	27,717,936	606,025	28,323,961	6,706,124	8,881,141	6,942,397	15,823,538	50,853,623	1849
1850	23,950,559	3,737,325	27,687,884	403,706	28,091,590	6,747,340	8,955,061	6,437,883	15,392,944	50,231,874	1850
1851	23,829,749	3,784,664	27,614,413	402,714	28,017,127	6,915,626	8,723,940	5,849,917	14,573,857	49,506,610	1851
1852	23,708,025	3,822,856	27,530,881	403,652	27,934,533	6,722,073	9,509,962	6,625,944	16,135,906	50,792,512	1852
1853	23,623,757	3,812,436	27,436,193	368,651	27,804,844	7,044,321	9,685,079	6,640,596	16,325,675	51,174,840	1853
1854	23,480,891	3,855,499	27,336,390	476,486	27,812,876	7,638,650	12,397,273	12,182,769	24,580,042	60,031,568	1854
1855	22,965,835	3,868,293	26,834,128	813,771	27,647,899	8,465,832	29,377,349	19,014,708	48,392,057	84,505,788	1855
1856	23,613,499	3,979,691	27,593,190	1,063,403	28,656,593	8,392,622	25,049,825	16,013,995	41,063,820	78,113,035	1856
1857	23,715,438	3,979,136	27,694,574	988,810	28,683,384 *2,000,000	†9,839,325	13,616,556 China War & Persian Exped.	10,390,000	24,006,556 1,490,693	66,019,958	1857
1858	23,593,552	3,969,603	27,563,155	938,324	28,501,479 ‡250,000	9,085,636	§12,818,736	‖10,029,047	22,847,783	60,684,898	1858
1859	23,802,719	3,994,525	27,797,244	575,172	28,372,416	9,398,715	§14,836,300	11,072,243	25,908,543	63,679,674	1859
1860	23,889,092	2,541,198	26,430,290	403,180	26,833,470	10,773,519	17,470,574	12,991,668	30,462,242	68,069,231	1860

* Exchequer Bonds Redeemed.
† Including £1,195,206 for Redemption of the Sound Dues.
‡ Sinking Fund on War Loans.

§ Including £230,000 for Expenses of late War with Russia.
Ditto £160,580 for ditto in 1859.
‖ Including £391,943 for China Expedition.

REVENUE, EXPENDITURE, ETC.

No. 4.—Amount of Taxes Repealed or Reduced, and Imposed.

Yrs.	Repealed or Reduced. Nature.	Estimated Amount.	Imposed. Nature.	Estimated Amount.
		£		£
* 846	Butter and Cheese	205,437	Meal and Flour	2,000
	Silk Manufactures	162,985		
	Spirits	482,286		
	Tallow	101,966		
	Woollen Manufactures	27,970		
	Seed, Clover	36,077		
	Other Customs Duties	135,069		
	Total	1,151,790		
847	Woods from Foreign Countries	243,085		
	Sugar and Molasses	53,152		
	Rum	46,974		
	Other Taxes	1,675		
	Total	344,886		
1848	Copper Ore	35,745		
	Rum, British Possessions	69,353		
	Sugar and Molasses	258,854		
	Wood, Foreign	215,028		84
	Other Taxes	6,988		
	Total	585,968		
1849	Sugar and Molasses	355,257		
	Oil and Sperm	29,327		
	Other Taxes	4,214		
	Total	388,798		
1850	Sugar and Molasses	331,073		
	Stamps	520,000		
	Bricks	456,000		
	Other Taxes	3,078		
	Total	1,310,151		
1851	Window Duty	1,878,800	Inhabited House Duty	600,000
	Coffee	149,161		
	Sugar and Molasses	359,804		
	Wood and Timber, Foreign	292,099		
	Total	2,679,864		
1852	Sugar and Molasses	95,928		

* In 1846 the prohibitory duty on Foreign Sugar was also reduced, but as the expected result was an increase of Revenue to the estimated amount of £416,562, and not an estimated loss of Revenue, as is the case in the other reductions of Duty in this Return, it is not specified above.

Amount of Taxes Repealed or Reduced, and Imposed.—*Cont.*

Yrs.	Repealed or Reduced. Nature.	Estimated Amount.	Imposed. Nature.	Estimated Amount.
		£		£
1853	Tea	968,877	Customs	16,383
	Butter and Cheese	106,535	Excise (Spirits)	590,000
	Sugar and Molasses	78,793	Stamps (Succession Tax)	2,000,000*
	Raisins	65,659	Property Tax	750,000
	Other Articles	279,610		
	Total Customs	1,499,474		
	Excise, Soap, etc.	1,171,000		
	Stamps	277,000		
	Taxes, Assessed	300,000		
	Total	3,247,474	Total	3,356,383
1854	Customs:—		Customs:—	
	Tea	980,568	Spirits	16,694
	Platting of Chip, and other Articles	2,539	Sugar and Molasses	420,298
			Other Articles	3,651
		983,107		440,643
	Stamps—Bills of Exchange	11,000	Excise, Malt	2,450,000
	Taxes, Assessed	290,000	Spirits	450,000
			Income and Property Tax	6,614,000
	Total	1,284,107	Total	9,954,643
1855	Customs:—		Customs:—	
	Window Glass and other Articles	2,960	Sugar and Molasses	1,267,566
	Stamps:—		Tea	774,413
	Newspaper	250,000	Coffee	155,629
	Excise:—		Spirits, Colonial	25,546
	Stage Carriages reduced	60,000	Other Articles	2,753
				2,225,907
			Excise, Spirits	1,000,000
			Income Tax	2,000,000
	Total	312,960	Total	5,225,907
1856	Customs:—			
	Beer, Spruce	1,428		
	Plums (reduced by Treasury Order of 9th December)	1,886		
	Other Articles	161		
	Excise:—	3,475		
	Malt War Tax	2,200,000		
	Total	2,203,475		
1857	Customs:—		Customs:—	
	Window Glass	2,053	Rice dust for Feeding Cattle	92
	Caoutchouc Manufactures	6,004		
	Coffee	145,816		
	Sugar and Molasses	418,988		
	Tea	1,054,637		
	Other Articles	1,084		
		1,628,582		
	Taxes:—			
	Property and Income Tax	9,125,000		
	Total	10,753,582		92

* Estimate when in full operation. The estimate for the first year was £500,000.

Amount of Taxes Repaired or Reduced, and Imposed.—*Cont.*

Yrs.	Repealed or Reduced. Nature.	Estimated Amount.	Imposed. Nature.	Estimated Amount.
		£		£
1858	Taxes:—		Customs:—	
	Property and Income Tax	2,100,000	Spirits, Colonial, consumed in Ireland	9,080
			Excise:—	
			Spirits	280,000
			Stamps:—	
			Draft Stamps	113,000
			Probate Court Stamps	53,000
			Matrimonial Causes Court Stamps	1,700
			Total	456,780
1859			Property and Income Tax	4,340,000
1860	Customs:—		Customs:—	
	Repealed:		Spirits, British Colonial	357,966
	Butter	104,321	General Rates and Charges, under Acts 23 Vict. c. 22, and 23 & 24 Vict. c. 110	208,000
	Cheese	49,395	Other Customs Duties	11,938
	Eggs	24,721	Total	577,904
	Leather, Boots and Shoes, etc.	8,619		
	,, Gloves	64,794	Excise:—	
	Oranges and Lemons	35,656	Spirits	650,000*
	Rice	25,060	Chicory	5,000
	Silk Manufactures	307,244	Licences to Keepers of Refreshment Houses, to Retailers of Wine, to Dealers in Sweets or made Wines, to Persons dealing in Wine and Spirits in Bond	75,000
	Tallow	74,942	Licences to kill and to deal in Game transferred from Taxes with altered Rates	150,000
	Other Customs Duties	286,498	Stamps	163,000
	Total Repealed	981,250	Taxes:—	
	Reduced:		Property and Income Tax	1,060,000
	Currants	210,580		
	Raisins	45,353		
	Spirits, Foreign	313,745		
	Wine	831,694		
	Wood and Timber	429,436		
	Other Customs Duties	28,873		
	Total Reduced	1,859,681		
	Total Customs	2,840,931		
	Excise:—			
	Hops, reduced	105,000		
	Taxes:—			
	Game Certificates transferred to Excise	140,000		
	Total	3,085,931	Total	2,680,904

* And a further sum sufficient to pay the drawback allowed on exportation of Spirits for Excise restrictions.

No. 5.—Balances in the Exchequer at the End of Each Year.

Years.	Amount.	Years—*Cont.*	Amount—*Cont.*
	£		£
1846	9,131,282	1854	6,015,613
1847	8,457,691	1855	3,688,600
1848	8,105,561	1856	6,942,428
1849	9,748,539	1857	6,879,659
1850	9,245,676	1858	7,755,455
1851	8,381,637	1859	5,380,228
1852	8,841,822	1860	5,250,392
1853	4,485,230		

No. 6.—Total of National Debt at the End of Each Year.

Years.	Description of Debt.		
	Funded.	Unfunded.	Total.
	£	£	£
1846	764,608,284	18,310,700	782,918,984
1847	772,401,851	17,946,500	790,348,351
1848	774,022,638	17,786,700	791,809,338
1849	773,168,317	17,758,700	790,927,017
1850	769,272,562	17,756,600	787,029,162
1851	765,126,582	17,742,800	782,869,382
1852	761,622,704	17,742,500	779,365,204
1853	755,311,701	16,024,100	771,335,801
1854	752,258,272	22,783,000	775,041,272
1855	766,778,599	26,596,600	793,375,199
1856	779,931,088	28,050,700	807,981,788
1857	779,655,399	25,627,300	805,282,699
1858	778,561,783	25,883,700	804,445,483
1859	786,219,236	16,230,000	802,449, 36
1860	785,294,641	16,183,100	801,477,741

The following Table formed from a Return to an Order of the House of Commons dated 19th March, 1862, furnishes a short and convenient outline of every INCOME TAX ACT from the year 1798, to the present time; distinguishing respectively the various Rates, Exemptions, Annual Produce, and Dates of each.

INCOME TAX.

A RETURN "of every INCOME TAX ACT from the Year 1798 to the present time; distinguishing respectively the various Rates, Exemptions, Annual Produce, and Dates of each."

Act and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed.	
			Year.	£
38 Geo. III. c. 16, 12th January, 1798.	Imposed additional rates upon every person within either of the following classes:— Here follows a description of the persons, with the rate increasing with the income on a graduated scale to £50 and upwards, 5 rates in addition.	Any person occupying a farm of less rent than £70 per annum, and making a livelihood solely thereby, exempt from additional rate in respect of horses charged under 36 Geo. III. c. 15, and 37 Geo. III. c. 106.	1798	1,855,996
		Persons keeping tax-carts, carriages and horses to let to hire, waiters, carriages to be let to hire, and public stage carriages.		
		Persons whose assessments were not equal to £1.		
		Occupiers of lodging-houses and shops, whose assessments were less than £3.		
		Incomes under £60 per annum.		
39 Geo. III. c. 13, 9th January, 1799.	In lieu of the former rates, this Act imposed duties on all incomes arising from property, professions, trades, and offices, according to the following scale, viz.:— Here follows the graduated scale with the duty increasing to one-tenth on £200 and upwards.	Incomes under £60 per annum.	1799	6,046,6[illegible]
		The stock or funds of any friendly society established under 32 Geo. III. c. 54.	1800	6,244,[illegible]
			1801	5,628,9[illegible]

Act and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed.	
			Year.	£
39 Geo. III. c. 13, 9th January, 1798 —*continued.*		Corporations, etc., for charitable purposes. Annual officer presiding over any corporation or Royal burgh, in respect of his salary.		
39 Geo. III. c. 22, 21st March, 1799. 39 Geo. III. c. 42, 10th May, 1799. 39 Geo. III. c. 11, Sess. 2, 12th Oct., 1799.	Amending Acts; not affecting rates or exemptions.			
43 Geo. III. c. 42, 4th May, 1802.	Repealed duties granted by 39 Geo. III. c. 13.			
43 Geo. III. c. 122, 11th August, 1803.	Granted duties on profits arising from property, professions, trades, and offices charged; such duties at their source; and classified them under the several Schedules (A.), (B.), (C.), (D.), and (E.). Rates under Schedules (A.), (C.), (D.), and (E.), 1*s.* in the pound: Under Schedule (B.):— In England, 9*d.* In Scotland, 6*d.* The rates were subject to abatements in respect of incomes of £60 and upwards, and under £150 per annum, viz.: £60 and under £70, 3*d.* in the pound. 70 „ 80, 4*d.* „ 80 „ 90, 5*d.* „ 90 „ 100, 6*d.* „ 100 „ 110, 7*d.* „ 110 „ 120, 8*d.* „ 120 „ 130, 9*d.* „ 130 „ 140, 10*d.* „ 140 „ 150, 11*d.* „ Also, the understated allowances in respect of children *bonâ fide* maintained by the parent, viz.: Where the income of the parent amounted to— £60 and was under £400, £4 per cent. for every child above two. £400 and was under £1,000, £3 per cent. £1,000 and was under £5,000, £2 per cent. £5,000 and upwards, £1 per cent.	Incomes under £60. Schedule (A.) College or hall in any university, and all offices, gardens, walks, and grounds for recreation, maintained by the funds of such college or hall. Every hospital or public school or almshouse, and all offices, etc., maintained by the funds of such hospital, or, etc. Rents and profits of lands or hereditaments belonging to any hospital or almshouse, so far as the same were applied to charitable purposes. Schedule (C.) Stock of friendly societies. Stock of charitable institutions, so far as applied to charitable purposes. Stock belonging to foreigners not residing in Great Britain.	1803 1804	5,341,907 4,111,924

Act and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed.	
			Year.	£
44 Geo. III. c. 37, 3rd May, 1804.	Amending Acts; not affecting rates or exemptions.	Stock in names of Commissioners for Reduction of National Debt. Stock in the name of the Treasury.		
44 Geo. III. c. 82, 44 Geo. III. c. 83, 20th July, 1804.				
45 Geo. III. c. 15, 10th March, 1805.	Imposed an additional duty, after the rate of— One-fourth part of the net amount of duty charged under 42 Geo. III. c. 122.	Rents and profits of lands, tenements, or hereditaments, held in trust for charitable purposes, so far as applied to such purposes.	1805	6,429,590
45 Geo. III. c. 49, 5th June, 1805.	Amended and consolidated provisions of former Acts, without altering the rates or exemptions.			
46 Geo. III. c. 65, 13th June, 1806.	Increased the rate of duty under Schedules (A.), (C.), (D.), and (E.) to 2s. in the pound; and under Schedule (B.) to 1s. 6d. in England, and 1s. in Scotland.	Incomes of £50 per annum.	1806	12,822,056
			1807	11,905,858
	Where profits chargeable arose— 1st. From properties belonging to any ecclesiastical person in right of his church or by endowment, and stipends of licensed curates.	Artisans, labourers, handicraftsmen, mechanics, or manufacturers. Wages not exceeding in any one week the sum of 30s.	1808	13,482,294
			1809	13,631,925
	2nd. From the occupation of land.		1810	14,453,320
	3rd. From trade, profession, employment, or vocation chargeable under Schedule (D.)		1811	14,462,776
	4th. From any office or employment chargeable under Schedule (E.)		1812	15,488,546
	5th. From any pension or stipend payable out of the public revenue, and chargeable under Schedule (E.)	Granted by former Acts, under Schedules (A.) and (C.) continued.	1813	15,795,691
	6th. Annuities for life or for terms of years.		1814	14,188,037
	And if such profits amounted to £50, and were less than £150, the party was entitled to an allowance, out of the duties charged, at the rate of 1s. for every 20s., by which the income was proved less than £150.			
55 Geo. III. c. 55, 12th May, 1815.	Rates, abatements, and exemptions granted and allowed under 43 Geo. III. c. 122, 45 Geo. III. c. 15, and 46 Geo. III. c. 65, continued for one year.		1815	15,642,338
5 & 6 Vict. c. 35, 22nd June, 1842.	Re-imposed the duties on profits arising from property, professions, trades, and offices, for three years from 5th April, 1842.	All incomes under £150 per annum.	1842	5,608,548

Act and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed. Year.	£
5 & 6 Vict. c. 35, 22nd June, 1842 —*continued.*	Under Schedules (A.), (C.), (D.), and (E.), at the rate of 7*d.* in the pound. Under Schedule (B.) :— In England, at the rate of 3½*d.* in the pound. In Scotland, at the rate of 2½*d.* in the pound.	Under Schedule (A.) : Any college or hall in any of the universities, in respect of the public buildings and offices not occupied by any individual member, or by any person paying rent; and for repairs of same, and maintenance of gardens, walks, and grounds.	1843 1844	5,504,157 5,476,497
	The like, in favour of every hospital or public school or almshouse. Literary or scientific institution, building the property of and used solely as, where no payment is made for any instruction. Rents of land, tenements, and hereditaments belonging to any hospital, public school, or almshouse, or vested in trustees for charitable purposes, so far as the same are so applied. Under Schedule (C.) : Stock of friendly societies, savings' banks, charitable institutions, in name of Treasury or Commissioners for National Debt belonging to her Majesty, or to any accredited minister of any foreign State resident in Great Britain. Under Schedule (D.) : Charitable institutions in respect of interest.			
8 Vict. c. 4, 5th April, 1845. 11 Vict. c. 8, 5th April, 1848. 14 Vict. c. 12, 5th June, 1851. 15 Vict. c. 20, 5th May, 1852.	Continued the duties until 5th April, 1853, at the rates and with the exemptions provided by 5 & 6 Vict. c. 35.		1845 1846 1847 1848 1849 1850 1851 1852	5,711,224 5,791,067 5,834,795 5,793,543 5,729,577 5,754,447 5,845,719 5,869,826
16 & 17 Vict. c. 34, 28th June, 1853.	Under Schedules (A.), (C.), (D.), and (E.) :— For two years, from 5th April, 1853, 7*d.* in the pound. For two years, from 5th April, 1855, 6*d.* in the pound. For three years, from 5th April, 1857, 5*d.* in the pound.	All incomes under £100, friendly societies in respect of interest or other profits chargeable under Schedule (D.)	1853	7,133,039
	Under Schedule (B.) : For first-mentioned term . — In England: 3½*d.*; In Scotland and Ireland: 2¼ „ second . — In England: 3; In Scotland and Ireland: 2¼ „ third . . — In England: 2½; In Scotland and Ireland: 1¾ In respect of incomes of £100 or upwards and under £150, rates to be abated to 5*d.* in the pound.	Exemption granted by 5 & 6 Vict. c. 35, under Schedules (A.), (C.), and (D.) continued.		

Act and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed.	
			Year.	£
17 Vict. c. 10, 12th May, 1854.	Additional rates for 1854, amounting to one moiety of duties charged by 16 & 17 Vict. c. 34.		1854	14,358,690
17 Vict. c. 24, 16th June, 1854.	Granted in lieu of the rates payable for the year 1854, under 16 & 17 Vict. c. 24, and 17 Vict. c. 10, a rate of 1*s.* 2*d.* in the pound. All reliefs and abatements to be proportionate to the increased rate of duty.			
18 Vict. c. 20, 25th May, 1855.	Additional rate of 2*d.* in the pound, making together a rate of 1*s.* 4*d.* in the pound, to be raised annually during the war, and until 6th April after the expiration of one year from a ratification of a treaty of peace. All relief, etc., to be in proportion to increased rate.	As stated in the preceding page, under the 16 & 17 Vict. c. 34.	1855	16,545,50[illegible]
			1856	16,915,33[illegible]
20 Vict. c. 6, 21st March, 1857.	Reduced to 7*d.* in the pound for year ended 5th April, 1858.		1857	7,905,53[illegible]
22 & 23 Vict. c. 18, 13th August, 1859.	Granted for the year ended 5th April, 1860:— Under Schedules (A.), (C.), (D.), and (E.), 4*d.*, in addition to rate payable under 16 & 17 Vict. c. 34, making a total of 9*d.* in the pound. Under Schedule (B.):— 2*d.* in England . . . . total 4½*d.* 1½*d.* in Scotland and Ireland . . . . . total 3¼*d.* All reliefs and abatements to be proportionate to the increased duty.		1858	5,758,9[illegible] per Act [illegible] & 17 Vic[illegible] c. 34.
			1859	10,424,9[illegible] per Act [illegible] 16 & 17 Vict. c. [illegible] and 22 & [illegible] Vict. c. [illegible]
			1860	11,594,0[illegible]
23 Vict. c. 14, 3rd April, 1860.	Granted for the year ended 5th April, 1861:— Under Schedules (A.), (C.), (D), and (E), 10*d.* in the pound. Under Schedule (B.):— In England . . . . . 5*d.* In Scotland and Ireland respectively . . . . . 3¼*d.* In respect of incomes of £100 and under £150, rates to be abated to 7*d.* in the pound.		1861	Cannot furnish at preser
24th Vict. c. 20, 12th June, 1861.	Granted for the year ended 5th April, 1862:— Under Schedules (A.), (C.), (D.), and (E.), 9*d.* in the pound. Under Schedule (B.):— In England . . . . . 4½*d.* In Scotland and Ireland respectively . . . . . 3*d.* In respect of incomes of £100, and under £150, rates to be abated to 6*d.* in the pound.			

Inland Revenue Office,
1862.

T. Sargent,
Secretary.

SUMMARY REVIEW.

Now, taking all these figures as the facts to be dealt with, it may be the most convenient course, for obtaining a clear insight into the working of the present system of taxation, to examine it under the two following heads :—

1. Actual Cost.
2. Indirect Loss.

1. ACTUAL COST.

According to the Government Accounts of Public Income and Expenditure for the Financial Year, ended 31st March 1861, the net Taxes paid into the Exchequer (exclusive of Post Office, Crown Lands, and Miscellaneous Receipts), were as follows :—

TAXES.

Customs	£23,278,250
Excise	19,548,133
Stamps	8,368,869
Land Tax	1,144,672
Assessed Taxes	2,000,397
Property and Income Tax	10,957,060
Total	£65,297,381

From the manner in which the Government Accounts are made out, it is not easy to ascertain the Costs of Collection and Management of the Revenue Departments. But the fault seems to be much more in the system, than in the book-keeping, though the form of keeping the Accounts might be much improved. It is easy to see how, under the present system, very large sums of money yearly might be misappropriated, without risk of detection. No efficient check can be provided until the Revenue Departments be required to furnish an accurate account of Income and Expenditure under each head

This would, probably, reveal many secrets, but it would, certainly, afford much information which the Public ought to have, but cannot now obtain.

The Public now have no means of ascertaining the actual Receipts from Stamps, Land-tax, Assessed taxes, and Income Tax; nor the actual expenditure of that enormous Establishment at Somerset House in its numerous departments. The Legacy and Succession Duties are muddled together, and the Irish Income Tax, under Schedule A. is lumped in one sum.

These are a few instances only in what some may consider, small matters, and are given merely as illustrations; but when it is found that the Government Finance Accounts differ widely from all other Statistics, professing to give the Income and Expenditure for the same periods,—this is calculated to encourage suspicion that some of the Accounts will not bear close inspection. This suspicion can never be removed, until the receipts and expenditure of each separate service be fully and clearly presented to the Public.

It is a striking fact that the Costs of such an Establishment as Somerset House, maintained at an enormous annual expenditure, are no where to be found.

It is obviously impossible to prevent embezzlement of Public Monies, and other frauds, if the Books of Account of all the Revenue Departments of the State be not balanced periodically, and submitted to strict and impartial audit. Nor can any good reason be shown, why the Financial Year of the Government should not terminate on the 31st December. It might be a sufficient reason for making the Financial Year so terminate, that the Government Accounts would then, so far, correspond with the Accounts of almost every public and private establishment in the kingdom.

If this simple and most natural mode of proceeding had been adopted, none of those extensive defalcations

which have been discovered in the Income Tax, could have occurred.

But it is no part of the present object to show how the Government Accounts ought to be kept; nor is this necessary. This has already been done, and in a manner which leaves nothing more to be wished for, in the GENERAL BALANCE SHEET, of Mr. Henry Lloyd Morgan, already set forth.

This General Balance Sheet may be truly said to be a model, not only for our Government, but also for all public and private Establishments. It shows, at one view, all that a Balance Sheet ought to show; or, rather, all that can be shown whilst the Government Accounts are kept in the present form.

This is a great and original work, and can be fully appreciated only by those who have been "in wandering mazes lost," in vain endeavors to understand our Government Financial Accounts, as presented to the Public in Annual Blue Books.

Those who wish to have a general knowledge of our Government Accounts, will do well to examine carefully this Balance Sheet; and, to appreciate the importance of a Balance Sheet and Audit, they should read Mr. Henry Lloyd Morgan's able Pamphlet on "*Personal Liabilities of Directors of Joint Stock Companies, under the Fraudulent Trustees Act.*" They will then see that the Government Account of Receipts and Payments of Public Monies, however nicely balanced, is without any check, and is still open to an indefinite amount of misapplication, and embezzlement, without a proper Audit.

This is no imputation of fraud, but it is a serious charge, to say that Accounts are kept in such a form as to be open to fraud, without any means of detection.

The following sums are taken from the Government Finance Accounts for the year ended March 31, 1861:—

CUSTOMS.

	£
Salaries and Expenses of the Customs Department. (Finance Accounts, page 18)	769,663
Coast-Guard Service. (Naval Estimates, page 22)	910,799
Superannuation Allowances, etc. (Finance Accounts, page 19)	170,979
Ditto, ditto, for Coast-Guard and Revenue Cruisers Service. (Ditto, ditto)	57,587
Ditto, ditto, for Colonies. (Ditto, ditto)	16,149
Costs of Customs	£1,925,177

INLAND REVENUE.

	£
Salaries and Expenses of the Inland Revenue Department. (Finance Accounts, page 18)	1,344,934
Superannuation Allowances, etc. (Finance Accounts, page 19)	201,970
Costs of Inland Revenue	£1,546,904

SUMMARY.

Total Customs	£1,925,177
„ Inland Revenue	1,546,904
Costs of Customs and Inland Revenue	£3,472,081

Here is an Annual Expenditure of £3,472,081, for the Costs of Collection and Management of the Customs and Inland Revenue Departments, according to the Government Accounts.

The Chief Authority at Somerset House, (to whom special application has been made on this occasion), says, in answer, that the expenses of that enormous establishment, in the collection of Stamps and Taxes, are all included in the Government Financial Account for the year, under the head of Inland Revenue; but in vain is that Account searched for the particulars of these ex-

penses. If included, the mode of entry effectually baffles all investigation.

Under the Statute 24th & 25th Vict. cap. 103, sec. 19, the whole expense of Collecting the Inland Revenue, which comprises Excise, Stamps, Land and Assessed Taxes, and Property and Income Tax, is voted by Parliament, in one Vote.

The Chief Authority at Somerset House, in answer to the special application made to him for more particular information, wrote as follows:—

"There is no separate Vote, or Estimate for the different branches of the Inland Revenue, nor can there be, the same person being, in many cases, employed in the collection of every branch. The expenditure is accounted for in the Finance Accounts annually laid before Parliament."

This is, no doubt, a correct, but a very unsatisfactory, answer; nor does it require much knowledge to see that, the Revenue from Excise, Stamps, Land Tax, Assessed Taxes, Property and Income Tax, amounting together to £42,019,131, cannot be collected, and paid into the Exchequer at so small a cost as, £1,546,904, or 3·681 per cent.

But, in the absence of fuller information, this must be taken as the actual Cost of Collection of the Inland Revenue.

The same reason applies to the Customs Duties, amounting to £23,278,250, and to the Cost of Collection, £1,925,177, or 8,207 per cent.

No one, acquainted with the working of the system of Custom and Excise, can doubt that, the actual Cost very much exceeds these sums, as charged. But taking these to be the actual Costs of Collection, as charged in the Government Account for the Financial Year, ended 31st March, 1861, the Account stands thus:—

SUMMARY OF ACTUAL COST.

Customs	£1,925,177	or 8·207	per cent. on	£23,278,250
Inland Revenue	1,546,904	„ 3·681	„ „	40,019,131
Total	£3,472,081	or 11·818	per cent. on	£65,297,381

2. INDIRECT LOSS.

As there can be no certain data for Estimates under this head, it is needless to say that, the following Estimates must be uncertain.

But the object is not so much to show the exact amount of loss from the present system, as to show that there is unavoidably a very great loss, which may be saved under a system of direct taxation.

To pay a direct tax costs nothing more than the amount of the tax itself, and the simple cost of collecting it. With Customs and Excise the case is very different, as will be seen, if all the costs charges and expenses, together with the losses from frauds, delays, and other impediments to trade, be taken into the account. To take this account in full is scarcely possible. For the present purpose it may be sufficient to add up the Salaries of Clerks (in Liverpool alone amounting to several hundreds) and Customs Brokers, demurrage of ships, (many of them worth to the Owners £20 a day, and upwards) detained for Landing Waiters, and all the crowd of paid loiterers. Also, loss of markets for cargoes delayed, often to the very serious damage and inconvenience of the merchant and owner. Also, dock-room provided at vast expense by mercantile communities,—that dock-room prevented, by Customs' regulations and interference, from doing much more than half the service it might, and otherwise would do. Also, waste of labor in weighing, unpacking, and examining goods for the satisfaction of the revenue officers, without any benefit to anybody, but with certain great trouble, loss of time, and often with great injury to the

commodities; and in connection with this, about a third of all the wages paid to porters on board, or attending ships discharging, or at bonded warehouses, where seldom more than six, or seven hours' work are done in a day, though the men are paid for ten and a half hours. And add, the further delay, vexation, and expense of the petty stamp labels, recently required for every package and parcel, and for every invoice and bill of lading. And to all this add,—losses from Allowances, Drawbacks, Frauds, and Negligences. It is difficult to ascertain all these items accurately, but it is not difficult to see that collectively they must amount to a heavy tax, and must be serious impediments to Trade.

It is, probably, no exaggeration to assume that all these Costs and losses are equal to 6 per cent. on the amount of Customs and Excise Duties, paid into the Exchequer, for the year, or £2,569,582.

These charges are in addition to the tax of 225 per cent. on the single article of Tea.

But this is not all.

The dealer's profits on the duties are, at least, 25 per cent., and when it is considered that two, three, and in some cases, even four cumulative profits (with all the intervening risks and charges, for bad debts, insurances, etc., on the paid duty and cumulative profits in process), are paid by the actual consumer,—and when the per centage of profit necessary to the existence of the last retailer,—(whether in price, or in quality, matters not,) is taken into account, the candid inquirer will not, probably, think these profits unreasonable.

This 25 per cent. on Customs and Excise Duties, is £10,706,595.

The Cost of Prosecutions for Smuggling, and other breaches of the Revenue Laws, and the Cost of transportation, and maintenance in prison, of those convicted, cannot be calculated with any accuracy.

The Government Account for the year ended 31st March, 1861, gives the Costs of Criminal, and other Prosecutions, at £180,000.

The Government Returns for the year 1860, give the number of Criminal Offenders convicted, as follows:—

England and Wales	12,068
Scotland	2,441
Ireland	2,969
Total	17,478

The Expenditure of the Convict Prisons of England, in the year 1860–61, is stated at £276,399.

How many of these may be attributed to the Revenue Laws is not known; but it is well known that these Laws are more fruitful in Criminal Offenders than all the other Laws of the Kingdom together!

But in the Government Financial Account for the year ended 31st March, 1861, under the head of Customs,—the whole of the Costs charged for "Law Charges, Subsistence of Prisoners, Rewards for the Capture of Smugglers, Rewards for Seizures, and on Account of Penalties recovered, and Expenses on Account of Seizures," is only £8,064. 14*s*. 10*d*. This sum is included in the sum total as charged in the Government Account for Costs of Customs Duties, £769,663. 10*s*. 4*d*.

It may be a fact too unpleasant to be told by the Government, but it is well known to all who are acquainted with the working of the system that, this sum, as charged, is little more than nominal, with reference to the actual expenses, and that the further sum of £214,131, may be very safely added to the £8,064.

But Indirect Taxation leads to a heavy augmentation of another burden:—THE RATE FOR RELIEF OF THE POOR. What proportion of this is incurred by increased difficulty for able-bodied men to earn an independent living, because high duties have made Trade unprofit-

able, have hindered production, have prohibited importation, compelling thousands of willing and skilful Workmen "to sit enchanted in Workhouses," is, of course, impossible to be told.

But, if one-third of the whole sum raised yearly under the Poor Laws, for the Relief of the Poor, be attributed to this cause, such would seem to be not an unreasonable estimate.

Indeed, the loss to the Nation by the paralysis of industry is, probably, much more than the whole sum raised for the relief of the Poor. But taking only one-third of the legal relief of the Poor as chargeable to the evil influence of Indirect Taxation, that one-third has been for England and Wales, during the last 40 years, £2,508,987 per Annum, there having been no legal relief in Ireland and Scotland, until a comparatively recent period.

The amount returned, as levied for the "relief and maintenance of the Poor" in England, Wales, and Ireland, in the year ended 25th March, and in Scotland, in the year ended 14th May, 1848, was £7,941,778.

According to the 13th and last published Report of the Poor Law Board for England and Wales, for the year ended 25th March, 1860; and according to the 15th and last published Report of the Board of Supervision for the Relief of the Poor in Scotland, for the year ended 14th May, 1860; and according to the last published Report of the Commissioners for Administering the Laws for Relief of the Poor in Ireland, for the year, ended 29th September, 1860;—the sums expended for the Relief of the Poor were, as follows:—

England and Wales	£5,454,964
Scotland	643,303
Ireland	454,266
Total	£6,552,533

Taking this amount (which is below the average), one-third, or £2,184,177, may be considered as a small proportion due to the operation of the Laws which prohibit Commercial Enterprize, hinder or extinguish manufactures, repress industry, and force productive lands to become non-productive.

This sum of £2,184,177, (nearly 6 per cent. on the Customs and Excise Duties), may, therefore, be added to the previously accumulated items of loss.

But, oppressive as are Customs and Excise Duties on the People, the effects on our Commerce are worse.

Our Trade with China is conducted, for the greatest part, on the system of Exchange. We take their Tea and Silk in exchange for our Manufactures, and the effect of our heavy duties, in comparison with the light duties of the Chinese, operates most injuriously on our Trade with China.

In 1847 a Select Committee of the House of Commons was appointed to inquire into the state of our Trade with China. The Committee sat sixteen days, and examined 46 Witnesses, comprising 17 Merchants engaged extensively in the trade with China.

The substance of the laborious Report of that Committee having been given in the former Editions of "The People's Blue Book," will not be here repeated.

It is sufficient to refer to it, and to the conclusion that, the exorbitance of our Duty on Tea is limiting our Exports, and ultimately endangering altogether our Trade with China,—and thereby seriously interfering with the employment of labor.

As affecting the social condition of the People, and our relation with China, the Report observes:—"That it is also desirable in itself, as promoting the increased consumption of a beverage wholesome and agreeable to every class of our population, and one which is increasingly desired as a substitute for intoxicating liquors;

and that it would be no more than is due to the Chinese who tax our products so lightly, while we burden theirs so heavily, and with such inconvenience to their trade."

Respecting the effect of such reduction on the revenue, the Committee remark :—"In fact, the whole difficulty exists in the effect which any material reduction, and none other would be of much value, may be expected to have upon the *resources of the Exchequer*."

The Evidence of all the Witnesses examined on the question, as to the effect on our trade, was most forcible to this conclusion.

Medical and Chemical Witnesses were examined, and all proved the sanitary effects of tea, and the great extent to which adulteration was carried, in consequence of the enormous duty levied on tea, and that many of these adulterations were of a poisonous, and all of a highly injurious, nature. And further, all the evidence proved that the present trade with China furnished no criterion for estimating what might be our trade with China, if, on our part only, that trade were entirely free.

Who can pretend to say what might be our trade with China, if the duty on Tea were abolished; and our Merchants were free to import Tea into this country at the prime cost in China, with the addition only of the cost of freight, which, in the rate per pound, would be an inappreciable and imperceptible sum?

Who can pretend to say to what extent China might receive British Manufactures in exchange for Tea and Silk, if all impediments to the mutual interchange of natural productions were removed?

Who, therefore, can pretend to calculate, with anything like accuracy, the loss to this country directly and indirectly from the Tax on Tea alone?

These remarks, which apply more or less to all the articles subject to Customs and Excise duties, are here left to be applied by every one for himself. On such a

question as this, it is to be expected that different minds will take different views, and will arrive at different conclusions from the same facts. But it is also to be expected that there are many, (whose daily avocations ought to assist them in forming a correct judgment), who will come to the conclusion that, these estimates of Costs and Losses are very much under the mark, and that the time has arrived when the system which works out these results ought to be changed.

How to estimate this *indirect* loss to our Trade and Manufactures through the inevitable operation of Customs and Excise is a question not easily answered.

It is not the estimate of an actual loss, but of the loss of a probable gain.

For the estimate of a loss actually incurred, there must be some certain data; but for the estimate of the loss of a gain never made, there can be no certain data, —nor, indeed, any data at all. And yet, that the loss of the gain is certain, and very great, there can be no doubt.

The computed Real Value of the Imports into the United Kingdom, for the year, ended 31st December, 1860, was as follows:—

Total Imports	£210,648,643

The computed Real Value of the Exports from the United Kingdom, for the same year, was as follows:—

Total Exports of Foreign and Colonial Produce, and Manufactures	£29,827,836
Total Exports of British and Irish Produce (Declared Value)	£135,842,817

Can any one, acquainted with Trade and Manufactures, doubt that our Imports and Exports will show 100 per

cent. increase in the third year after the abolition of Customs, Excise, and Stamp Duties?

Can any one, experienced in these matters, doubt that the increase will be 200 per cent. within the first five years after these duties, and all other hindrances, have been removed?

In this view, is it an unreasonable estimate to compute the indirect loss to the nation from these causes, on the last year's account of Customs, Excise, and Stamp duties, at 100 per cent., or £51,195,252?

But, if the loss and injury to the Trade and Manufactures of the Country be so great, what must be the loss and injury to the Landed Property and Houses of the Kingdom?

It is manifestly impossible to make this estimate with any pretension to accuracy, but it is equally manifest that, a loss of such magnitude must very greatly deteriorate the value of all Landed and House Property in the Kingdom.

If it be regarded only as the loss of a gain, the effect is the same, if it prevent an increase in the value of Land and Houses in the same proportion.

It can hardly be necessary to waste many words in showing that, the value of Land and Houses is, in a great measure, dependent on the prosperity of Trade. Experience has sufficiently proved this theory to establish it beyond all doubt, and we know from experience that depression of Trade and Manufactures has always been attended with corresponding depression in the value of Land and Houses.

We have no experience to guide us in an estimate of the probable increase in the value of Land and Houses after the abolition of Customs and Excise duties, but if the increase in Trade and Manufactures be equal to 100 per cent. in the third year, it can hardly be an exaggerated estimate to assume the increase in the value of

Land and Houses, in the fifth year, to be equal to 75 per cent. on the same duties, or £38,396,439.

It is clear that the expected effects of the change on Land and Houses, coming through the effects produced on Trade and Manufactures, cannot be fully realised until several years after the first effects have been produced; but there can be no reason to doubt that the full effects on Land and Houses will ultimately be equal to those on Trade and Manufactures. How many years will be required for the full effects on either, or both, is, of course, beyond calculation, being in a great measure dependent on many circumstances beyond human foresight.

The estimate is, therefore, made at 75 per cent. for Land and Houses, within the first five years after the change. In a few years afterwards, (if no disturbing causes arise in the meantime), it may be reasonably expected that, the Estimate at 100 per cent. will be nearer to the actual fact.

These may be taken as the principal heads of Indirect Loss to the Nation, through the present system of Indirect Taxation by Customs, Excise, and Stamp Duties.

SUMMARY OF INDIRECT LOSS.

Demurrages, Allowances, Drawbacks, Hindrances, Frauds, and Negligences.	
Estimated at 6 per cent. on the Customs and Excise Duties for the year ended 31st March, 1861	£2,569,582
Extra Profits to Traders for Advance of Customs and Excise Duties.	
Estimated at 25 per cent. on these duties, for the same year	10,706,595
Additional Costs of Prosecutions for Smuggling, and other breaches of the Revenue Laws, and expenses of transporting and maintaining persons convicted.	
As estimated for the same year	214,131

Augmentation of Poor Rates.	
Estimated at one-third of the amount raised by Poor Rates in the United Kingdom for the year 1860	2,184,177
Loss and Injury to the Trade and Manufactures of the Kingdom.	
Estimated at 100 per cent. on the Customs and Excise Duties, Stamps and Taxes, for the year ended 31st March, 1861	65,297,381
Loss and Injury to the Landed Property and Houses of the Kingdom.	
Estimated at 75 per cent. on the same duties, Stamps and Taxes, for the same year.....	48,973,035
Total Indirect Loss	£129,944,901

SUMMARY OF ACTUAL COST, AND INDIRECT LOSS.

Actual Cost of Collection of Customs and Excise, Stamps and Taxes, as charged in the Government Account for the Financial Year, ended 31st March, 1861	£3,472,081
Indirect Loss through Customs and Excise, Stamps and Taxes, for the same year, as estimated	129,944,901
Total Cost and Loss	£133,416,982

SUMMARY OF CHARGES.

Net Amount of Taxes paid into the Exchequer according to the Government Account for the Financial Year, ended 31st March, 1861	£65,297,381
Actual Cost and Indirect Loss in raising the above Revenue	133,416,982
Total Charge	£198,714,363

GENERAL SUMMARY.

Actual Cost ..	£3,472,081 =	5·317	per cent. on	£65,297,381
Indirect Loss	129,944,901 =	199·005		
Total Cost and Loss	133,416,982 =	204·322	"	" 133,416,982
Total Charge	198,714,363 =	304·322	"	" £198,714,363

Thus, it appears that, the Cost and Loss to the Nation of raising the Net Revenue of £65,297,381, for the Financial Year, ended 31st March, 1861, under the present system of Customs, and Excise Duties, Stamps and Taxes, was £133,416,982, making the Total Charge to the Nation for the year, (including the year's revenue) £198,714,363,—or, 304·322 per cent. on the whole amount raised for the year by these taxes; or, in other words, £2,822,220, more than three times the whole amount raised by Customs and Excise Duties, Stamps and Taxes, for the year!

Assuming the tax-payers to be six millions, out of a population of thirty millions, (a large allowance), this is equal to a tax of £33. 2*s*. 4½*d*. a head.

Of this sum, £10. 17*s*. 8*d*., and no more, finds its way into the Exchequer. This is in the proportion of 1*s*. to 3*s*. 0½*d*., and, to be exact, a small fraction more than half a farthing more.

Therefore, for every shilling paid into the Exchequer for Taxes, three shillings and a halfpenny are taken out of the pockets of the People, and the difference is not only their loss, without any benefit to the Nation, but is to the great injury of the Trade, Manufactures, and Agriculture, and, consequently, of the whole property of the Kingdom, and of the People of all Nations of the World! And, be it remembered, this calculation is made on the *Net* Revenue.

On the ethical part of the question, or, the loss and injury to the Nation from the demoralizing tendency and inevitable effect of our Revenue Laws, every one must form his own estimate, for we can never fully appreciate our loss under this head, until we can compare the results of a happier state of things with our experience of the past.

It is often used as an argument against direct tax-, that taxes so levied press with unequal, and there-

fore, unjust, severity on Real Property, and that the Real Property of the Country is already suffering under this unequal and unjust pressure.

That the ground on which this argument rests is inconsistent with the facts, and that the facts are all the other way, will now be shown in the following Statement of Taxes, in a tabular form, for the Financial year, ended 31st March, 1861.

COMPARATIVE STATEMENT, showing the Charges on Trade and Industry, and on Real Estate, under the present System of Taxation.

Taxes.	Net Revenue.	Taxes on Trade and Industry.	Taxes on Real Estate.
	£.	£.	£.
Customs Duties	23,278,250	23,278,250	
Excise Duties	19,548,133	19,548,133	
Stamps, viz. :—	8,368,869		
Deeds, and other Instruments		442,449	884,898
Probates and Letters of Administration . .		429,431	858,862
Legacies and Successions		720,608	1,441,217
Insurance, viz. :—			
Fire		1,485,540	
Marine		325,341	
Other Stamps		1,780,523	
Land Tax	1,144,672		1,144,672
Duties on Offices and Pensions		669	
Assessed Taxes, viz. :—	1,999,728		
Under Schedules B., Inhabited Houses . .			822,936
Other Schedules . . .		1,176,792	
Income Tax, viz. :—	10,957,060		
Under Schedules A, B, C.			6,504,112
,, ,, D, E .		3,920,775	
Increase in the Year 1860-61		532,173	
	65,297,381	53,640,684	11,656,697
COSTS AND LOSSES.			
Costs of Collection of Customs and Excise Duties, including Coast Guard			

Comparative Statement—*continued.*

Taxes.	Net Revenue.	Taxes on Trade and Industry.	Taxes on Real Estate.
	£.	£.	£.
Service, Superannuation, and Compensation Allowances, and Pensions of Customs and Excise, as charged	3,472,081		
Demurrages, Allowances, Hindrances, Frauds, and Negligences, as estimated	2,569,582		
Extra Profits to Traders for Advance of Customs, and Excise Duties, as estimated	10,706,595		
Additional Costs of Prosecutions for Smuggling, Adulterations, and other breaches of the Revenue Laws, and Expenses of transporting and maintaining Convicts, as estimated	214,131		
Augmentation of Poor's Rate, as estimated . .	2,184,177		
Loss and Injury to Trade and Manufactures, as estimated	65,297,381		
Loss and Injury to Landed Property and Houses, as estimated	43,531,586		
Cost and Loss	127,975,533	53,640,684	11,656,697
Charge on Trade and Industry	53,640,684		
Charge on Real Estate .	11,656,697		
Total Charge	193,272,914		
Deduct Charge on Real Estate		11,656,697	
Excess on Trade and Industry		41,983,987	

Summary.

Taxes on Trade and Industry . .	£53,640,684	=	82·148 per cent.
Taxes on Real Estate	11,656,697	=	17·851 „
Excess on Trade and Industry . .	£41,983,987	=	64·297 „

Cost and Loss	£133,416,982	=	204·322 per cent.
Charge on Trade and Industry . .	53,640,684	=	82·148 „
Charge on Real Estate	11,656,697	=	17·851 „
Total Charge on Trade and Industry and on Real Estate	£198,714,363	=	304·322 per cent.

Thus, it appears that, of the actual Net Taxes, £53,640,684, or 82·148 per cent., bear directly on Trade and Industry; and that £11,656,697 only, or 17·851 per cent., bear directly on Real Estate; showing an excess of burden on Trade and Industry, of £41,983,987, or 64·297 per cent. over Real Estate; and that these taxes, including the actual Cost, and the estimated Indirect Loss, incident to the Collection, are equal to a total Charge on Trade and Industry and Real Estate, for the year, of, £198,714,363, or, 304,322 per cent.,—though of these Indirect Losses, it will be seen that, nearly the whole presses as a burden on Trade and Industry, and only a comparatively small portion,—and that reflected,—on Real Estate.

In this Estimate it will be observed that two-thirds of the whole amount of Stamps for Deeds and other Instruments, Probates, and Letters of Administration, Legacies, and Successions, are assumed to be Charges on Real Estate, and one-third only on Trade and Industry.

The Returns of Income Tax for the year 1860–61 being without the Schedules, the division has been made according to the Schedules to the Returns for the year 1859–60. Therefore, as the increase in the year 1860–61 could not be divided according to the Schedules for that year, the whole of such increase has been assumed to be chargeable against Trade and Industry, and is charged accordingly.

In the Returns of the Amount of Property Assessed under Schedule A. for Ireland, the Heads of Assessment have never been distinguished.

The number of these Heads is *fourteen*, and the

Return is,—"*Cannot be distinguished.*" Why not—is not said. These Returns, therefore, can be in no way relied upon,—and furnish no check for the due application of the money so raised.

The Net Amounts in the Returns for Ireland against the 14 Heads of Assessment under Schedule A. are as follows:—

Years ending 5 April.	Heads of Assessment.	£.
1854	.....	11,767,810
1855	.....	11,892,120
1856	.....	11,878,545
1857	Cannot be distinguished.	11,952,285
1858	.....	12,826,739
1859	.....	12,858,701
1860	.....	12,893,829

The total Amount of Property Assessed in Ireland, under the five Schedules, according to the Return, for the year 1860, was £22,962,885.

It may be here observed that, the difference between the Net amount of the Income Tax in the Government Accounts, and in the Returns to Parliament, is irreconcileable and inexplicable; and, being given for the year, ending at different periods, must remain irreconcileable and inexplicable, as long as this practice is continued.

PART III.

TAXATION AS IT OUGHT TO BE.

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TAXATION AS IT OUGHT TO BE.

THE source of wealth is the Earth; or, if we speak of them separately,—the sources of wealth are, the Earth and its waters. These produce all the objects appropriated, or fashioned, by the labors of men. Human labor itself is not, strictly speaking, an original source of wealth, although without such labor no wealth comes into man's possession.

It has been laid down by Adam Smith that, every nation derives its supplies of the necessaries and conveniences of life from its labor, either in the immediate produce of that labor, or from other nations purchased with that produce.

Also, that there is one sort of labor which produces value, and may be called, *productive;* and another which produces no value, and may be called, *unproductive.*

It must not, however, be supposed that that portion of the community which is not employed in producing material wealth is unproductive of anything useful, or that the epithet, "*unproductive,*" as applied to them, is disparaging, or degrading.

The annual labor and skill of the people may be taken to be the fund which supplies it with the necessaries and conveniences of life, either in the immediate produce of

that labor and skill; or, in what is purchased with that produce from other nations.

The protection and encouragement, therefore, of that productive labor and skill, by every means, is one of the first duties of every nation, on the ground of policy, as well as justice.

The expenses of defending the society, and that of supporting the dignity of the chief magistrate, are both laid out for the general benefit of the whole society. It is reasonable, therefore, that these expenses should be defrayed by the general contribution of the whole society, all the different members contributing, as nearly as possible, in proportion to their respective means.

The revenue which must defray, not only the expense of defending the society, and of supporting the dignity of the chief magistrate, but also all the other necessary expenses of Government, for which the Constitution of the State has not provided any particular revenue, may be drawn either from some property which peculiarly belongs to the Sovereign, or Commonwealth, and which is independent of the People; or, from the property of the People. If from the People, the contribution should be for the protection which the State affords to their persons, and property.

From these rules, or maxims, it follows that, in every civilized State, all persons should contribute equally for the protection of their persons; and, for the protection of their property, in proportion to the amount of their property under the *special* protection of the State.

Without entering into any philosophical definition of property, it is sufficient to say that, the property here referred to is that which has been *realised*, and has become ascertained, or defined, and permanent; and which then requires *special* protection, as contra-distinguished from income, and the wages of labor, and skill, which are uncertain, and precarious, and which, being spent as [illegible] not require that *special* protection from

the State which is extended to *realised* property, or *capital.*

If, then, it be one of the primary rules, in fixing and regulating taxation, to give the utmost possible protection and encouragement to productive labor and skill, it seems to follow that, it is the first duty of every State to leave all persons, as much as possible, in quiet possession and free enjoyment of the fruits of their own labor and skill. This seems to be dictated as well by policy, as justice.

Of the justice there can be no question; for, if a tax be paid to the State for the protection of the person, it is only common justice that the person who has paid the tax should be left in the quiet possession, and free enjoyment of the fruits of his own labor and skill; and, if it be true that, "the annual labor and skill of every nation is the fund which supplies it with all the necessaries and conveniences of life," it seems to be equally true, and free from question that, it is the policy of every State to leave the fruits of that labor and skill which is the origin, or source, of every nation's wealth, undiminished by taxation.

By the continuance of the people's labor and skill, the nation's wealth increases; and out of this increase the people save whatever they may acquire beyond their daily wants, real, or imaginary, for the necessaries and conveniences of life. These savings, accumulated, then assume the form of *realised* property, or capital, distinguished from income, and this constitutes the strength and power, or wealth, of the Nation.

It is, therefore, very fit and proper that the State should take from the strength and power, or wealth, of the Nation, that which is absolutely required for the maintenance support and extension of that strength and power, or wealth. But to take anything more from that strength and power, or wealth, or by any other means

to check their production or growth, is not only preventing the extension of that strength and power, or wealth, but is undermining, or weakening, the foundation of the whole.

This is the true distinction between Income, and Capital, as distinguished from Income; or, at least, this is the distinction here assumed, and this is taken as an axiom which governs the whole of the views here set forth.

It is as unphilosophical and unwise, as it is improvident and unjust, to impose a tax on income because property must be taxed. It is, therefore, as unwise, as it is unjust, on the part of owners of realised property who are taxed,—to complain that they are unfairly taxed, because uncertain and precarious incomes are untaxed.

The unfairness is in taxing as realised property, or capital, that which is only uncertain and precarious income; and the folly of such a complaint will be shown in the fact that, whatever is inexpedient for the public good, is inexpedient for the good of every individual.

It is manifestly an impossibility ever to impose a tax on incomes, necessarily uncertain in amount and precarious in tenure, which will not be unequal and unjust, and in direct violation of every rule and maxim which should govern taxation. Of this nature are all incomes derived otherwise than from realised property, or capital.

But, as it is assumed to be *not* the policy of a State to impose a tax on Professional, or Trade, Incomes, or on the Wages of Labor, and as the proofs in support of this assumption will be found in the details here given, it is unnecessary further to pursue this part of the question. The hopelessness of any attempt to remove the inequality and injustice incident to a tax on income has been made sufficiently manifest by the evidence given before the recent Special Committee of the House of Commons on the Income Tax. No further evidence can ever be required to show that these defects of inequality and in-

justice, which all feel and acknowledge, are inherent in every Tax on Income, and must ever be incurable.

It is the first duty of the State, in imposing taxes, so to impose them that they shall be most equally, and most easily, borne by those who pay them; the ultimate end and object of all taxation being,—protection and benefit to person, and property.

The only property requiring special protection, is that which has become *realised*, and permanent; or, Capital, distinguished from income, which is uncertain, and precarious. Realised Property, therefore, is the only property which can, consistently with justice and sound policy, be subject to taxation.

The first tax to be imposed, therefore, consistently with this rule, is

A PROPERTY TAX.

The Scheme for carrying out in practice the principle here maintained, is comprised in the three following propositions:—

1. A Tax on Property of a certain defined description.
2. A Tax on Persons of a certain defined Class.
3. All other State Taxes to be abolished.

The Post Office, not being considered a legitimate source of revenue, is altogether excluded from this Scheme.

THE PROPOSED PROPERTY TAX.

This will be considered under the three following heads:—

1. The description of property chargeable.
2. The rate of charge.
3. The mode of assessment and collection.

1. AS TO THE PROPERTY CHARGEABLE.

REAL ESTATE:

All Manors, Messuages, Lands, Tenements, Houses,

and other Buildings, Parks, Chaces, Warrens, Woods, Underwoods, Coppices, Fisheries, Tithe Rents Charge, Other Rents Charge, Fee Farm, and Quit Rents, to be charged yearly, in respect thereof, for every Twenty Shillings of the annual value thereof, the sum of Two Shillings.

Exemptions. All Lands and Houses of poor persons, under the full yearly value of Twenty Shillings in the whole; all Churches, and other Buildings for Public Worship; all Public Charities; and all Parks, and Play-grounds for the People.

The Land-owner being taxed on the rack-rent, or annual value, of his land, no Occupation tax is proposed to be charged.

The Landlord will adjust that as he thinks fit, with his Tenant, in fixing his rent.

The Land being once taxed on the annual value, cannot properly be taxed again.

By getting rid of the Occupation Tax, much vexation will be avoided, and a great saving of labor and expense of collection will be effected.

This will be regarded as a great concession to the Agricultural interest, but it will be, in fact, a great benefit to the Nation.

The Crops, live and dead Stock, however, as well as the property, must be held liable to be taken for payment of the tax, and for these, if taken for the tax, or if the Lessee, or Tenant, otherwise pay the tax, he would have a claim upon his Landlord for repayment.

No property out of the United Kingdom to be subject to this tax.

Personal Estate:

All Annuities, Dividends, and Shares of Annuities, payable to any person, body politic, or corporate, company or society, whether corporate or not corporate, out

of any Public Revenue, to be charged yearly for every Twenty Shillings of the annual amount thereof, the sum of Two Shillings.

Exemptions. All Annuities and Dividends under the yearly value of Twenty Shillings. Every fractional part of Twenty Shillings of the annual value aforesaid to be charged at the rate aforesaid, provided that no rate or duty be charged of a lower denomination than one penny.

The Pay of all Private Soldiers, Common Seamen, and petty officers of both services, to be exempted from this tax.

No property out of the United Kingdom to be subject to this tax.

2. THE RATE OF CHARGE.

This can be fixed only by the Government, confirmed by Parliament.

For the present purpose, it is assumed to be fixed for the period of three or five years, at 10 per cent. of the annual value of the property assessed, or, 2*s*. in the Pound.

3. THE MODE OF ASSESSMENT AND COLLECTION.

The charge on Real Estate to be made with as much equality, and indifference, as is possible upon the present yearly value thereof, without any deduction, and a new valuation thereof to be made every *third*, or *fifth*, year, as fixed by Parliament.

Every Assessment to the Property Tax to be made upon the several Occupiers of the property chargeable, except Assessments upon any House or Tenement occupied by any accredited Minister from any Foreign Prince, or State, which are to be paid by the Landlord or person immediately entitled to the Rent of the said House or Tenement.

The duty to be charged in respect of any House Tenement or Apartment, belonging to Her Majesty, in the occupation of any Officer of Her Majesty, in right of his office, or otherwise, (except apartments in Her Majesty's Royal Palaces) shall be charged on, and paid by, the Occupier of such House Tenement or Apartment upon the annual value thereof.

Tenants and Occupiers to pay the tax and deduct it out of their rent; and if any difference arise between them and their Landlords, concerning the rate, Commissioners to have power to settle the same as they may think right and proper.

Owners of lands tenements and hereditaments subject to the payment of Rent-charges, or Annuities, Fee-farm Rents, Rent Service or other Rents, or Annual payments, issuing out of the same, to be at liberty to deduct out of every Fee-farm Rent, or other Annual payment, so much of the pound-rate assessed upon the said lands tenements and hereditaments as a like rate for every such Fee-farm Rent, or Annual payment respectively shall, by a just proportion, amount to.

Mortgagors to be at liberty to deduct from the Interest payable by them on all Mortgages of lands tenements and hereditaments or monies, so much of the pound-rate assessed thereon, as a like rate for every such annual payment respectively shall, by a just proportion, amount to.

All existing Exemptions for lands tenements and hereditaments, extra-parochial, or otherwise, to be abolished.

The Sovereign, by virtue of the Royal Prerogative, is exempted from the operation of all Statutes imposing duties on the Subject.

The Valuation to be made by Surveyors, to be appointed by the Government; and an equal number to be appointed by the Parish or District.

The Assessment to be made by Assessors, to be ap-

pointed by the Government, and an equal number to be appointed by the Parish or District.

Appeals from the Valuation by the Surveyors to be made to the Assessors.

Appeals from the Valuation, or Assessment as fixed by the Assessors, to be made to the Board of Commissioners.

The Board of Commissioners to consist of Public and Local Commissioners. The Public Commissioners to be appointed by the Government, and the same number of Local Commissioners to be appointed by the Parish or District.

The Appeal from the Board of Commissioners to be to the Lords of the Treasury.

The decision by the Lords of the Treasury to be final.

The Collectors to be appointed by the Government, who are to collect the Tax quarterly, and their receipt for the same to be a final discharge.

THE PERSONAL TAX.

This is called a PERSONAL TAX, to distinguish it from the PROPERTY TAX. It may be called the HOUSEHOLDERS' TAX, being a Personal Tax charged on Houses for the convenience of Collection.

It is proposed to charge all Householders, occupying Houses, above the yearly value of Twenty Shillings, according to the following scale:—

Exceeding	£1.	and not	exceeding	£5.	. .	£1. .
„	5.	„	„	10.	. .	2.
„	10.	„	„	20.	. .	3.
„	20.	„	„	40.	. .	4.
„	40.	„	„	60.	. .	5.
„	60.	„	„	80.	. .	6.
„	80.	„	„	100.	. .	7.
„	100.	„	„	200.	. .	8.
„	200.	„	„	300.	. .	9.
„	300.	„	„	——	. .	10.

The Occupier alone to be chargeable with the payment of this Tax, and the House to be liable for the same.

Every *bonâ fide* Occupier (not being a Lodger), to be chargeable with this Tax.

THE FRANCHISE.

It is proposed that every *bonâ fide* Occupier, chargeable with the Personal Tax, shall be entitled to register his name in the List of Voters for the County, or Borough, in which the House is situate, on production of the Receipt (signed by the Government Collector), for the payment of his Tax, as the Occupier of such House, —And to Vote at every Election of a Member, to represent him in Parliament, for such County, or Borough, as long as he continues to occupy, *bonâ fide*, such House; And every such Occupier to be entitled to vote at every such Election, and to record one vote for each and every Twenty Shillings of such Tax, mentioned in such Receipt to have been paid by him as aforesaid, the number of Votes, entitled to be recorded by every such Voter, being equal to the number of Pounds, sterling, so paid by him as aforesaid.

The same Voter (being *bonâ fide* Occupier) to be entitled to vote, in the same manner, at every Election of Members to serve in Parliament, for or in respect of every other House, in every other County, or Borough, but for or in respect of one House only in the same County, or Borough.

Every Voter to pay Sixpence to the Register for making the entry of the Voter's name in the Registry, and the money so received to form a fund for defraying the expenses of erecting the Hustings, and paying the Polling Clerks, and other expenses of the Polling Booths.

Any surplus after payment of such expenses to be

paid over to the County, or Borough, in reduction of such County, or Borough, rates.

No Candidate to make any payment for bringing a Voter to the Poll, or directly, or indirectly, influencing any Voter to vote. The penalty to a Voter for receiving any money, or other bribe, directly, or indirectly, for influencing his vote, to be the forfeiture of his right to vote at that, or any future, Election of a Member to serve in Parliament.

The Candidate guilty of paying such bribe to be disqualified for Election to that, or any future Parliament.

The Government Collector's Receipt for this Tax to be the only title, or qualification, to vote at the Election of a Member to serve in Parliament.

This *annexe* to the Personal Tax will only be a restoration of the ancient Anglo-Saxon Constitutional right, acknowledged by Magna Charta, and confirmed by the last Great Charter of the British People, THE BILL OF RIGHTS.

Here is no innovation, and in the restoration of an admitted Constitutional right there can be no danger. It was a saying of William Pitt that "The Representative body should be the image of the represented . . . it should be an assembly united with the people by the closest sympathies."

Thus may be swept away, at once, one great cause of bitterness between Classes,—so fruitful of many evils in many different forms.

The rights and just privileges of property would be preserved and acknowledged,—the moral force of character would be strengthened,—and the prominence of both would be maintained.

How the right of Voting is really estimated by the Working Classes, would then be brought to the test, and how many of them would bring up their estimate to the price of the Sixpence, payable to the Registrar, is a ques-

tion which no one can now answer. But that many would consider this to be a prohibitory price for the privilege, when so acknowledged, there can be little doubt.

ESTIMATE OF THE PROPERTY TAX.

1.	Annual Value of Lands in Great Britain and Ireland in the year 1860	£74,225,072
2.	„ „ of Houses	77,421,145
3.	„ „ of Tithe Rent Charge	507,405
4.	„ „ of Manors	511,589
5.	„ „ of Fines	380,728
6.	„ „ of Fee Farm and Quit Rents	325,000
7.	„ „ of Woods, Underwoods, and Coppices	2,250,000
8.	„ „ of Fisheries	168,712
9.	„ „ of Dividends on Public Debt	26,178,771
10.	„ „ of Canals	1,218,240
11.	„ „ of Railways	17,776,381
12.	„ „ of Interest and Dividends on Joint Stock and other Public Companies, and all other rateable property in the United Kingdom	£90,000,000
	Total Yearly Value of Real and Personal Property in the United Kingdom in the year 1860	£290,963,043
	Add 15 per cent. for the increased value for the three years from 1860 to1863 inclusive	43,644,456
	Estimated total Yearly Value of the Real and Personal Property in the United Kingdom, in the year 1863	£343,607,499

Here is a yearly and improving revenue from Realised Property, estimated at £343,607,499.

A Rate of 2s. in the Pound, or 10 per cent. on this amount, would produce a yearly revenue of £34,360,749.

ESTIMATE OF THE PERSONAL TAX.

INHABITED HOUSES.

200,000	Exceeding in Annual Value £1. and not exceeding £5., at £1. per year				£200,000
300,000	£5.	„	„	£10., at £2. a year	600,000
400,000	£10.	„	„	£20., at £3. a year	1,200,000
500,000	£20.	„	„	£40., at £4. a year	2,000,000
1,000,000	£40.	„	„	£60., at £5. a year	6,000,000
1,200,000	£60.	„	„	£80., at £6. a year	7,200,000
1,400,000	£80.	„	„	£100., at £7. a year	9,800,000
500,000	£100.	„	„	£200., at £8. a year	4,000,000
250,000	£200.	„	„	£300., at £9. a year	2,250,000
250,000	£300.	„	„	at £10. a year	2,500,000
6,000,000				Total	£35,750,000

The data for this Estimate are imperfect.

The Census, of 1861, states the number of Houses Inhabited, Uninhabited, and Building, in the United Kingdom, to be 5,404,780.

It may, therefore, be safely assumed that, in the year 1863, there will be, in the United Kingdom, more than Six Millions of Inhabited Houses.

The divisions, in the scale here given, have no pretension to accuracy, there being no sufficient data for any such nicety of calculation.

It may, however, be assumed that the scale is sufficiently accurate for the present purpose, and it is evident that the numbers in excess in any one of these divisions, must increase the numbers in the other divisions.

SUMMARY OF REVENUE.

1. Property Tax	£34,360,749
2. Personal or Householders' Tax	35,750,000
3. Crown Lands. The same as for the year ended 31st March, 1861	412,450
4. Miscellaneous	1,453,100
	£71,976,299
Deduct Cost of Collection, at 2 per cent.	1,439,525
Total Net Revenue	£70,536,774

HOW THESE ESTIMATES ARE MADE.

As no Estimates are entitled to confidence, if the grounds on which they are made be withheld, the following are the grounds of the Estimates here given.

1. THE ESTIMATE OF LANDS.

The basis of this Estimate, for England and Wales, and Scotland, is the Assessment for the Income Tax;—a very imperfect basis, but, perhaps, the best to be found for this purpose. How much this Assessment is below the fair Annual Value can never be known, until an impartial Survey and Valuation shall have been made.

Those who are acquainted with the mode of arriving at this Assessment can hardly admit that it fairly represents so much as one-half of the Actual Annual Value. But this Estimate assumes that the Assessment represents two-thirds of the Annual Value. The Assessment not being given under separate heads in the Income Tax Return for Ireland, this Estimate has been made at 50 per cent. on the whole Assessment under Schedule A. for Ireland. This is, probably, very much under the true mark;—but, of course, it has no pretension to accuracy.

2. HOUSES.

The same basis has been taken for this Estimate. But $33\frac{1}{3}$ per cent. has been taken on the whole Assessment under Schedule A. for the estimate of Houses in Ireland. One-third has been added to the whole for the assumed deficiency of the assessments.

This also is supposed to be very much under the true value.

3. TITHE RENT CHARGE.

From the peculiar and variable nature of this property, there is, necessarily, much uncertainty in this Estimate.

In answer to inquiries, the Secretary of the Tithe Commissioners for England and Wales, "by Order of the Board," wrote as follows :—

"I am directed by the Tithe Commissioners to say that, the total amounts of Tithe Rent Charge assigned under the Commutation Act, in England and Wales, to which the jurisdiction of this Board is confined, according to the returns as yet published, are as follows :—

	£	s.	d.
"To Clerical Appropriators and Lessees	678,345	11	1¾
„ Parochial Incumbents	2,410,506	7	6½
„ Lay Impropriators	765,427	5	4¾
„ Schools, Colleges, etc.	195,948	5	11½
	£4,050,227	10	0½"

These Rent Charges vary each year with the average prices of Corn for the previous seven years.

According to the Tables, the worth, in the year 1862, would be increased 9⅝ per cent., or the worth of the Rent Charge of £100, in the year 1862, would be £109. 13*s*. 6¼*d*., being an increase of about 9⅝ per cent.

But from this valuation many deductions are allowed by Law, which, in taking a gross account, can hardly be estimated in detail, and there is one item of allowance which it is impossible to estimate with any accuracy, and this is, for the merger of the Tithe Rent Charge in the Land by the Owner, he being also the Lay Impropriator.

It is manifestly impossible to make an estimate of all these items of allowance with any pretension to accuracy. Whether the deduction of 25 per cent. be too much, or too little, is, therefore, left an open question.

But making this addition, and deduction, the account would stand thus :—

Total of Tithe Rent Charge, for England and Wales	£4,050,227
Increased Value in 1862, 9⅝ per cent.	389,534
Gross estimated value in 1862	£4,439,761
Deduct 25 per cent. for Allowances	1,109,940
Net rateable value in 1862.....	£3,329,821

It appears, the Board of Commissioners consider that in whatever manner the gross estimated Rental be calculated, the net rateable value must be obtained by deducting from the annual value of the Rent Charge for the current year, the following items:—

A. The Annual amount chargeable on the rateable value of Tenant's Rates and Taxes.

B. An Annual average per-centage—
   (*a*) for the costs of collection,
   (*b*) for legal process, and,
   (*c*) for losses;

C. The proportionate charge for the Ecclesiastical dues and fees, and an average sum for the annual cost of repairing the Chancel;

D. A reasonable sum for a Curate's salary, if a Curate be employed to supply accessary aid to the Minister, and not as his substitute;

E. The amount payable to the Minister of a district, if the parish has been legally divided, and the tithes have been actually or virtually severed, and an amount charged upon the living in behalf of such Minister;

F. A reasonable sum for a Tenant's profit, regard being had to certain particular circumstances.

Assuming that the Returns to the Income Tax have been made upon this principle, (which is assuming a great deal), in this Estimate the average has been taken of these Returns for nine years, from 1852 to 1862, both inclusive, and, to qualify the foregoing assumption,

one-third more has been added. So much for England and Wales.

The tithes, or teinds, in Scotland are in a different position. "These were commuted in the reign of Charles the Second, never to be altered by the shifting price of Corn.

"The Scotch Clergy did not get the whole of the Tithe as then fixed. The money so appropriated was merely declared to be a fund out of which the Scotch Clergy had a right to get reasonable Stipends, and the Supreme Court of Scotland got power to fix what they thought a reasonable Stipend, once in about twenty years. But the Scotch Clergy can never get more than the fixed value of the tithe in the reign of Charles the Second; and, in the majority of cases, that limit has not been reached. But in many cases it has been reached, and in these no future increase can be got.

"There was no separation of the tithe from the rest of the land, as a general rule. The landed proprietors, after the Reformation, just pocketed the surplus.

"The Roman Catholic Clergy had right to the whole.

"The tithes of Bishoprics, and some other Church offices, went to the Crown, as did the Church lands, and these were generally jobbed to the nobility. The Crown became bound to sell the surplus tithes belonging to it for nine years' value of the rent, as fixed in the time of Charles the Second, to the owners of the land, and this enabled the land-owners to get the Crown's share, pretty generally. There were special cases in which the Crown has retained them down to the present time, and also some Church lands in Orkney, and elsewhere, which have been selling during the last twenty years.

"The proceeds will be seen in the Annual Reports of the "Woods and Forests," and "Board of Works." "

The Author is indebted to Mr. Duncan Maclaren, of Edinburgh, for this concise history of Scotch Teinds, in the foregoing letter, given in his own words.

In the Income Tax Return for Scotland no Assessment is given under this head; and for Ireland, as before mentioned, there is no distinction under heads in Schedule A.

This estimate, therefore, as regards teinds in Scotland, and tithe rent charge in Ireland, cannot properly be called an estimate, being taken at one-half of the amount as estimated for England and Wales, though this, probably, is not far from the truth.

4. MANORS.

The same basis has been taken for this estimate for England and Wales.

No Assessment under this head being given in the Income Tax Return for Scotland, the estimate for Scotland has been taken at one-half of the Assessment for England and Wales, and at one-third of the same for Ireland.

One-third more has been added for the assumed deficiency of the Assessments.

5. FINES.

The same basis has been taken for this estimate for England and Wales and Scotland; and one-fourth of England and Wales for Ireland.

One-third more has been added for the assumed deficiency of the Assessments.

6. THE FARM AND QUIT RENTS.

This estimate has been made on facts collected from a great variety of sources, but of no reliable authority, and must, therefore, be regarded as very uncertain.

7. WOODS, UNDERWOODS, AND COPPICES.

The observation on the last estimate applies equally to this.

There are no authenticated facts for a reliable estimate this head.

8. FISHERIES.

The same basis has been taken for this estimate for England and Wales, and Scotland; and Ireland has been estimated the same as Scotland.

One-third more has been added for the assumed deficiency of the Assessments.

9. PUBLIC DEBT.

This is no estimate, but a well known fact, taken from the Government Account for the Financial Year, ended 31st March, 1861.

10. CANALS.

The same basis has been taken for this estimate for England and Wales and Scotland; and Ireland is estimated the same as Scotland.

One-third more has been added for the assumed deficiency of the Assessments.

This estimate is uncertain.

11. RAILWAYS.

The same basis has been taken for this estimate for England and Wales and Scotland; and Ireland is estimated the same as Scotland.

One-third more has been added for the assumed deficiency of the Assessments.

This estimate is less than the amount given in the public returns by the Railway Companies.

From the Official Reports and Returns of the Railway Department of the Board of Trade, (1850–1861), it appears that the United Kingdom is intersected by 10,500 miles of railway, of which two-thirds are constructed with a double line of rails, and the gaps over the country are being filled up at the rate of 400 miles a year.

The sum of £400,000,000 has been expended within the last thirty-five years upon these works: the total re-

ceipts derived from them during the year 1860 amounted to £27,766,622; and the net revenue for the same period was upwards of fourteen millions and a half.

12. JOINT STOCK AND OTHER PUBLIC COMPANIES, ETC.

This is a rough estimate made from the Declared Statements of the Interest and Dividends paid by all the Joint Stock and other Public Companies in the United Kingdom, for the year 1860, (exclusive of Railways and Canals), and of the Annual Value of all other Realised Property of the Kingdom, rateable to the Property Tax, for the same year.

This Estimate has no pretension to accuracy, but is supposed to be under the true amount.

BALANCE OF ACCOUNT BETWEEN THE OLD AND THE NEW SYSTEM.

UNDER THE OLD SYSTEM.

Net Amount of Taxes paid into the Exchequer, according to the Government Account, for the Financial Year, ended 31st March, 1861	£65,297,381
Actual Cost, and Estimated Loss, in raising the above Revenue	133,416,982
Total Charge	£198,714,363

UNDER THE NEW SYSTEM.

Net Amount of Taxes paid into the Exchequer.....	£65,297,381
Cost of Collection, at 2 per cent.....	1,305,947
Total Charge	£66,603,328
Total Charge under the Old System	£198,714,363
" " New System.....	66,603,328
Difference	£132,111,035

Assuming the same amount of revenue raised, here is a balance in favor of the New System, of 298·505 per cent., or within 1·495 per cent. of three times the amount of revenue raised!

UNDER THE OLD SYSTEM.

Taxes on Trade and Industry	£53,640,684

UNDER THE NEW SYSTEM.

Taxes on Trade and Industry	*nil.*
Difference	£53,640,684

Here the whole of the burden on Trade and Industry is removed!

UNDER THE OLD SYSTEM.

Taxes on Personal Estate.....	£53,640,684
„ Real Estate.....	11,656,697
Difference in favor of Real Estate ...	£41,983,987

UNDER THE NEW SYSTEM.

Taxes on Real Estate	£15,578,965
„ Personal Estate.....	13,517,339
Difference in favor of Personal Estate	£2,061,626

UNDER THE OLD SYSTEM.

Taxes on Real and Personal Estate	£65,297,381

UNDER THE NEW SYSTEM.

Taxes on Real and Personal Estate	£34,360,749
Difference	£30,936,632

UNDER THE OLD SYSTEM.

Actual Cost and Estimated Loss.....	£133,416,982

UNDER THE NEW SYSTEM.

Cost of Collection	£1,402,214
Difference	£132,014,768

UNDER THE OLD SYSTEM.

Taxes on Real and Personal Estate	£65,297,381

UNDER THE NEW SYSTEM.

Taxes on Real and Personal Estate ...	£34,360,749	
„ Personal Tax	35,750,000	
		£70,110,749

EXPLANATORY OBSERVATIONS.

Thus, it appears that, to raise the revenue of £65,297,381, under the present existing system, costs the country £133,416,982,—or, 204·322 per cent. on the amount raised; and that to raise the revenue of £70,110,749, under the proposed new system, would cost the country only £1,402,214, or 2 per cent. on the amount raised, being the cost of collection, showing an actual saving to the country, in money alone, of £132,014,768 a year!

To superficial observers this will, no doubt, appear to be a very exaggerated statement; but, when examined carefully in all its details and bearings, this will be found to be under, rather than over a true estimate of the results to be expected.

But this is an estimate only of the financial results.

The moral results to the whole civilized world will be far greater, and, though beyond human calculation, are worthy of the deepest reflection.

The strong desire, so generally expressed, for equalization of taxes, arises from every man thinking himself more burdened than his neighbour. But this is a very narrow view for forming an equitable system of taxation.

The landed property of every country, as already observed, ought to be regarded as the *basis* of its wealth and strength as a nation; and the *market price* of the yearly produce of that property ought always to form the ground-work for taxation.

It is a narrow and very erroneous view, too commonly taken by land proprietors, to suppose, that by throwing the burden of taxation upon the industry of the country, they are thereby relieving the land from that portion of the burden.

That this is a superficial and short-sighted view of the

question, will be seen, if the true causes of the increased market-price of land, of late years, be looked into a little more deeply. Look back only twenty years ago to the unpeopled lands of Australia, or to the remote parts of Canada, and what was then the market-price of land there, without population, or trade?

As little worth as the deserts of Arabia!

And what has raised these lands to the present high prices?

What but the great and rapid increase of population, and trade?

Now, if such have been the effects, in so short a time, in those remote countries, with an almost boundless extent of still unoccupied land, how incalculably greater must be the same causes, in operation every year, to produce the same effects in this country, with the population and trade already existing, and so much more rapidly increasing, and where the extent of land is, and ever must be, so limited in proportion to such population?

In this point of view it may be seen how certainly the price of land in this country must go on rising with the increase of population, and the prosperity of trade and manufactures, and how much it is for the interest of the landed proprietors to bear such a proportion of the necessary taxation, as may continue to encourage, and still further to extend, what alone they ever can extend.

What must be the increased price of land in this country ten years hence, even at the present rate of increase? And what may be expected to be the increased price *then*, if the pressure upon the means of subsistence be *now* removed, by the removal of all taxes on the laborers' own labor, and on all stock-in-trade, and machinery, and by the adoption of a system of internal, and international, free trade?

What a world of misconception, and malignant pas-

sion, would be saved, if taxes were laid ostensibly, as well as virtually, upon the owners of realised property!

What a practical reconciliation would be effected between the wealthier and the poorer classes, if only taxes were universally removed from the necessaries and luxuries of life, and these were left open to the equal and fair competition of all as the rewards of their own successful labor and skill! As the late Dr. Chalmers said:—"What a death-blow would be thus inflicted on the vocation of demagogues! What a sweetening influence it would have on British Society, after the false medium was dissipated, through which the high and the low now look on each other as natural enemies!"

It was the opinion of the same good and right-minded man that, "if the whole of our public revenue were raised by means of a territorial impost, it would ultimately add nothing to the burden which now lies on the proprietors of the land; for they, when fighting against such a commutation, are fighting in defence of an imaginary interest."

So he suspected they were, and as since proved they were, when they resisted the abolition of the Corn Laws. Such a political economy as this, had it preceded, would also have superseded, all those tempestuous politics of that time.

This is the enlarged view which should be taken by statesmen in directing the legislation of this country, and if this principle were firmly relied upon and fully carried out, the results would soon dispel all fears for the consequences, and then all classes would soon find out that their true interests were identically the same, and inseparable.

If the landed aristocracy, instead of their blind resistance to all change,—or, as they called it, *innovation*,—and their tenacious adherence to what they imagined, but falsely imagined, to be their own indispensable interest,

had paid all taxes, and left all trades unfettered, so far as human actions can be calculated upon by human motives, it may be confidently said that, no political sacrifice would have been required of them, and they would have remained in the undisturbed possession of their natural and rightful inheritance, as lords of the Commonwealth.

But the democracy of England, fired by a sense of injury, made head against them, and wrested from them by force, what ought to have been freely, and willingly, conceded in the spirit of an enlightened policy. May the landed aristocracy take warning from the past, for the protection of their natural and lawful rights for the future! There lies yet before them a noble field of improvement in rightly shifting the burden of taxes, in emancipating trade, and that without reserve or limitation; above all, in providing—amply and liberally providing—both for the Christian, and literary Education of the People.

LOCAL TAXATION ON LAND AND HOUSES.

In considering the direct burdens upon land under the present system of taxation, it is scarcely possible to estimate the losses indirectly inflicted upon land, by the manifold injuries which this complicated and expensive system directly inflicts upon trade. But it is clearly to be seen that, if these injuries to trade were removed, the relief to land would be greater than the whole amount of taxation which land now bears.

The local taxation upon land is out of the question, for, in either case, that remains the same, unless, as before noticed, the burden of the Poor Rate be reduced, which may be confidently relied upon as one, and not the least, of the beneficial results to be expected.

By local taxation are usually meant, taxes levied in

particular districts of the country, and expended for the purposes of those districts.

The existing taxes of this description in England and Wales are thus enumerated in the Report of the Poor Law Commissioners on Local Taxation, in 1843.

"Rates of independent districts:—

"Poor Rate series—taxes on the basis of the poor-rate.

"1. Poor rate.
2. Workhouse building rate.
3. Survey and valuation rate.
4. Jail fees rate.
5. Constable rate.
6. Highway rate.
7. Ditto additional rate for purchase of land.
8. Ditto additional rate for law expenses.
9. Lighting and watching rate.
10. Militia rate.

"Miscellaneous taxes.—Each on an independent basis.

"11. Church rate.
12. Ditto for new Churches and repairs.
13. Burial-ground rate.
14. Sewers rate.
15. General sewers tax.
16. Drainage and enclosure rate.

"Rates of aggregated districts:—

te series.—Taxes imposed originally on
tricts by some general authority, but
sed on the basis of the Poor rate.
y rate.
for lunatic asylums.
for building shire halls.
of dead rate.
ed rate.
rate.

23. Borough rate.
24. Watch rate in borough.
To which may be added,
"25. Health of towns rate."

Thus, it appears that, the local taxes leviable in England and Wales,—most of which may be considered as direct burdens upon land and houses, are twenty-five in number.

But these are not twenty-five separate collections, some of these rates being furnished from the funds of other rates, some being incapable, or too difficult, of collection, and some being required only on a few occasions, or in limited localities.

There are no means of forming an accurate estimate of the local sums annually raised under the various rates enumerated above, and some others now to be added, but it is certain that their aggregate amount must be very large, and, probably, does not fall short of £25,000,000 a year for the United Kingdom.

About twenty years ago the estimate for England and Wales was £14,000,000 a year, and if to that were added the local taxation for Scotland and Ireland, the aggregate amount of the local taxation of the United Kingdom could not then have been under £14,000,000 a year, and was, probably, much more.

This vast amount of local taxation is a very important feature in the economical condition of the kingdom.

The Poor Law Commissioners estimate that, in England only, no fewer than 180,000 individuals are connected, one way or another, with the levy of the local taxes. Many of these render their services gratuitously; but vast numbers are paid, some by salaries, and some by a per centage on the sums collected. And there are good grounds for thinking that, in many cases, the Accounts of the parties so employed are not subjected to any very efficient check, or control, and that, conse-

quently, there are many opportunities for abuse. But the point of paramount importance in the reform of local taxation is, the selection of a proper and invariable basis on which to raise the assessment for all real property, which should form the basis of all local and national taxation on real property throughout the kingdom.

The purposes to which the local taxes are lawfully applicable (amounting to about 200) are so numerous and various that, a detailed catalogue would be tedious, and a general description almost useless. The names of the rates, as here given, usually indicate with sufficient distinctness the primary purpose of each; but this primary purpose is not always the only one to which the tax is, even by law, devoted. The poor rate, by far the heaviest item in the list, is also the most multifarious in its objects; comprising, besides the relief to the poor, such general measures as the registration of the births, and deaths, the vaccination of all classes of the community, the prosecution of certain kinds of criminals, the preparation of the lists of jurymen, and parliamentary voters, and so forth. The county rate, again, provides for the repair of bridges, the maintenance of jails, the relief of prisoners, the payment of coroners, the prosecution of felons, and a long list of purposes besides. It may be observed, generally, that the several rates are de-

leal with exigences of a most important public
and it is, therefore, highly desirable that they
only be levied with fairness, but also be ex-
h fidelity. Some of these last few remarks
taken from the appendix to Mr. McCulloch's
axation.

owing rentals on real property assessed to the
n 1841, and to the property tax in 1842, in
nd Wales, show a striking difference in the
made about the same period :—

	Assessed to the Poor Rate, 1841.	Assessed to the Property Tax, 1842.	Difference.
	£	£	£
Landed Property	32,655,137	40,167,088	7,511,951
Dwelling Houses	23,386,401	35,556,399	12,169,998
All other Property.....	6,498,492	10,079,248	3,580,756
Total..... .....£	62,540,030	85,802,735	23,262,705

Here is a difference of £7,500,000 upon land; £12,000,000 upon houses; and £3,000,000 upon all other property, on a comparison of rental valuations made nearly at the same time.

Now, the average price of wheat for three years prior to the property and income tax was, 67*s.* per quarter, and as the price of wheat is taken as an index of the general value of agricultural produce, a reduction in price of 25 per cent. reduces the actual rental of the land to £30,125,316, or £10,041,772 per annum below this assessment to the property tax. How, then, does this affect the taxation of the country? With respect to the poor rate, it is of no consequence whether the rental be high or low, provided the assessment be fairly levied, for this simple reason, that the *amount* demanded for poor rate is fixed, and must regulate the *per centage;* but, with respect to the property and income tax, and all *fixed* taxation, the *per centage* is fixed, instead of the amount, the consequence of which is, that as the annual worth of rentals diminishes, the ratio of taxation increases in a corresponding degree; for a tax of 1*s.* per pound, sterling, on £40,000,000, amounts to £2,000,000; but if the annual rental become reduced in worth to £30,000,000, or 25 per cent., the tax of 1*s.* is increased to 1*s.* 4*d.* per pound on the actual rental. Whereas, if the taxes were collected upon a just estimate of the annual rental, the amount would be reduced to £1,500,000.

REVISION OF NATIONAL ASSESSMENTS.

From the foregoing remarks it must be evident that the first step towards a just system of taxation will be in a thorough revision of the National Assessments.

This can be done only on a new Valuation of all the real property, founded on the then present average price of wheat.

A Valuation so regulated every three or five years, would form a sound basis for all local and national taxation on real property throughout the kingdom; or, at least, would remove the absurd discrepancies exhibited under the present system of different assessments.

These are some of the weighty considerations which must soon force themselves upon public opinion, with regard to British Taxation. It is evident that the rentals of landed property form half the sum whence the support of the poor is derived, without taking into consideration other charges, of a local and public nature, raised from the same source. The question, then, is, what effect will be produced upon the rental of lands, if the price of agricultural produce should fall 25 per cent., even assuming that landlords reduce their rents accordingly? The claims of the poor would not diminish in the same proportion; nor would the reduction of rent be accompanied by an increase of labor amongst the poor. These objects can be accomplished only by the introduction of foreign produce, and the increase of [illegible] manufactures; and without these the burden [illegible] must every year increase in weight. [illegible]quence there is no escape.

[illegible]ountry is *the amount and market-price* [illegible]*luce*. Reduce that, and you diminish [illegible] of all public and private revenues, [illegible]bate one farthing of your taxation.

[illegible] things the landlord, and the tax-col-

lector, will be contending with each other for the produce of the soil, and the tenant will struggle in vain for the means of subsistence, while the wages of labor will fall to a scale too low to allow the laborer to purchase the highly taxed necessities of daily life; and thus the country will drift into one common gulf of misery, and ruin.

These effects will be first seen in Ireland. The people of England are too apt to consider themselves safe against this wholesale ruin. They pride themselves on being a more industrious and cautious race than the inhabitants of "The Emerald Isle." But they make this boast without full consideration of their position. It is the centralisation of Capital in England from every part of the globe which has hitherto sustained and prevented Great Britain from falling into the depths of misery into which Ireland has been so long plunged. But the reduction of wages, employment, and profits, are signs that Great Britain is slowly drifting towards that gulf of misery, though the danger is seen, at present, but faintly shadowed forth, or, as the "little cloud arising out of the sea, like a man's hand." But this, however, is certain, that the causes, whatever they may be, which reduce the amount of "*profitable wages*" paid for British labor, must diminish British Capital and industry, and must increase the amount of British pauperism.

The fact is, we are making British labor pay for every change introduced into our commercial and agricultural legislation; and, if this system be continued, we must, in the end, pay the penalty due for sacrificing the comforts of the poor at the shrine of Mammon. Pauperism in this country is becoming an organic and progressive evil, and, in the purely agricultural parts of the country especially, has increased and is increasing under all changes. This is one of the most lamentable effects of our present system of taxation, which increases the cost

of living, and with these victims, and the scarcely less pauperised tradesmen of small means in country towns, our jails are chiefly filled.

So long as this system continues, these consequences must ensue, and must go on increasing; and very small and slow, and altogether unsatisfactory, must be the beneficial effects of any expenditure on the education of a people who are not receiving fair wages for their labor, and who are deprived of those comforts and enjoyments which they are entitled to expect, and, indeed, to demand, in return for their industry and skill.

It was a sound remark of Sir Robert Peel, in his speech on the Income Tax, 23rd March, 1842, that—"If you make a great reduction, not, I would say, in the amount of poor rates, but in the cost of living, on account of which those poor rates have been kept high, those who pay the poor rates will derive considerable advantage from that reduction. I may observe here that there has been a tendency of late years to increase the poor rates on account of the high prices of provisions."

It is impossible, under the present mixed system of direct and indirect taxation, to preserve anything like an approximation to equalisation; for it is impossible to obtain even the first figures essential for such a calculation. No one in this kingdom can say how much he is taxed, for no one can at any time say, with precision, what is the actual amount of the national burdens. Clearly, it is not the nominal amount given in the official Accounts, because a great part of that is owing to the State for taxes. It is, therefore, necessary for ascertaining whether taxes be equally distributed, or not, to ascertain in the first instance, what is the actual amount of taxation. Now, as Mr. Macculloch observes, for this it is indispensable to deduct, from the apparent amount, all that por- [illegible] the taxes which is paid by public functionaries,

and by those subsisting on the dividends, or interest, of the money lent to the State. The balance of taxation remaining, after this sum is deducted, forms the burden really borne by the public. If A. owe B. on one account £100, and B. owe A. on another £20, it is plain that the sum really due by A. to B. amounts to only £80; and such is precisely the case with the public. The State owes certain sums to certain parties; but these parties have, by means of taxes, to pay certain sums to the State; so that the sum really paid by the latter amounts only to the balance, or difference between the two.

It would, however, be exceedingly difficult, as Mr. M'Culloch also observes, or rather impracticable, to make anything like a fair estimate of what the balance in question may amount to in this, or any other country. Much obviously depends on the nature of the taxation. In this country, where by far the largest portion of the revenue is derived from taxes on articles of consumption, the sums received from the public functionaries, creditors, and dependents on Government, will, of course, be very much larger than in countries where the public revenue is mainly derived from direct and fixed taxes; such as land and property taxes, and the like. But, from the impossibility of ever ascertaining with accuracy the quantity of taxed articles consumed by individuals, or by classes of people, the difficulty of making anything like a fair estimate is so increased, as to become almost impracticable for any useful purpose.

For the same reasons it is equally impracticable to form a correct estimate of the aggregate incomes of any two or more countries; and if this difficulty were got over, and the income, population, and taxation of any two countries were known, it would be all but impossible to say which was most, and which was least, heavily taxed.

The same amount of income yields a very differe-

supply of the necessaries and conveniences of life, in different countries; and, supposing other things to be equal, the well-being of individuals obviously depends, not on the amount of their money incomes, but on the amount of necessaries and conveniences for which those incomes will exchange.

Hence, as Mr. McCulloch says, supposing the average incomes of the people of two countries amount, before their taxes are paid, to £20 a head; and that the taxes payable in the one amount to £4, and in the other to £5, a head, we should not be able to say, without further examination, whether taxation were really heavier in the latter, than in the former; for its pressure is to be measured not so much by what it takes, as by what it leaves; and if the £15 of income remaining to the inhabitants of the one give them a larger command over necessaries and conveniences, than the £16 remaining to those of the other, we apprehend it would be correct to say that, they were the least heavily taxed.

EFFECT OF TAXATION ON PROFITS AND WAGES.

Taxes being the transfer of a portion of the property of individuals to the State, the tendency of comparatively high rates of taxation must be to produce a lower rate of profit, with inadequate wages, and to drive capital from the country.

Local and exceptional circumstances, however, may, for a time, countervail the influence of a low rate of profit from sending capital abroad, yet that effect is always sure to follow, whenever the fitting opportunity occurs. There is no instance of a country being burdened with comparatively high rates of taxation in which this effect has not been experienced, or from which there has not been an efflux of people, and wealth.

It is, no doubt, true, that an increase of taxation, if not very sudden and oppressive, is most commonly defrayed wholly, or in part, by a proportionally increased degree of economy, industry, and invention. But the tendency to reduce profits and wages is still the same. However great the produce of industry, a high rate of taxation necessarily abstracts a large portion of that produce; and though the condition of those engaged in industrious undertakings in a highly taxed country may not be worse than when it was less heavily taxed, and may even be very materially improved, every one sees that it would be still better were taxation reduced.

The increased ability to bear the burden is forgotten, and the attention is exclusively fixed on the burden itself. Its influence, and the inconveniences thence arising, are often exaggerated; but all classes become desirous to escape its pressure, or to throw it upon others.

It is also true that, the increased industry and invention, which an increase of taxation encourages, may, for a time, more than neutralise these effects. But those improved processes, and more economical methods of carrying on industrious undertakings, so occasioned, gradually make their way into other countries, where the burdens falling on the industrious classes are less heavy; and while they improve the condition of those among whom they are thus introduced, they, of course, enable them to become more formidable antagonists of the more highly taxed producers in the markets common to both. The temptation to convey away capital and skilled labor from highly taxed countries, is thus also progressively augmented; so that the fair inference seems to be that, a heavy rate of taxation, though, if it have been judiciously imposed, it may, for a lengthened period, act as a powerful stimulus to industry, and invention, in the country subject to its influence, may, not improbably, in the end occasion its decline and fall.

The discovery of improved processes and new inventions in the arts, changes in the channels of commerce and in the price of money, the overthrow of old and the establishment of new forms of government, the occurrence of wars, and a thousand other events which it is impossible to conjecture, may vastly increase, or proportionally diminish, the power of countries to bear taxes, at the same time that they may add to, or lessen, their magnitude.

But, whatever may be the fate of a country subject to a high rate of taxation, it seems impossible to doubt that it operates as a clog in her progress; and that, *cæteris paribus*, it is a source of impoverishment and weakness, and always must so work, with more or less perceptible effect in the course of time.

This may be sufficient to show, not only the expediency, but also, the necessity for every government and people, if they would guard against the most tremendous evil which can befal a country, of adopting every just and practicable means for lessening the weight of taxation, and relieving the pressure on the national resources. It is hopeless to expect that this can be done by means of reductions in the public expenditure. Much may be, and, undoubtedly, ought to be done in this way, but it is a vain delusion to look for any sensible and permanent relief to this country by any such means. The only effectual relief, under the pressure of taxation in this country, must be by making the people better able to bear it, and that can only be by increasing the capital of the country, by relieving trade and manufactures from all restrictions, thereby extending and enlarging industry, and raising the general rate of profits and wages. As a first step to this result, the improvement of the condition of the working classes, by the removal of all taxes from articles of consumption, and, in comparison with this, any savings,

which could be effected by reductions in the public expenditure, sink into insignificance.

It is no part of the present scheme to propose a reduction in the salaries, or payments, to public officers, servants, or others employed and paid by the State. But it is obvious that, if the revenue of the State be raised by direct taxes on realised property, these salaries, or payments, might be considerably reduced, without reducing in effect the money worth, or purchaseable power of such payments.

If a public functionary, for example, receive a salary of £1000 a year, and one-fourth part of this sum be drawn back by taxes on income, and articles of consumption, his real salary is only £750 a year, and that, in fact, is the only cost of his salary to the country. But, if all these taxes be removed, his salary is then, £1000 a year clear, and that is, in fact, the cost of his salary to the country. It, therefore, follows that, if £1000 a year be a sufficient remuneration to such public functionary under the existing system of taxation, and if such a sum be drawn back for taxes, a salary of £750 a year would be an equal remuneration under the proposed system, and the difference, £250, would be the yearly saving to the State on this payment.

If this were to be carried out, as a rule to be applied without exception, to the salaries of all public functionaries above a certain amount, say, for example, £300 a year, this would include all the Ministers of State, with other High Officers of State, their deputies, secretaries, assistants, and many of their clerks, and all the Judges, with many of their subordinates and attendants, besides a host of other paid officers, and place-holders under Government, and in the Royal Household, far too numerous to be here mentioned;—and these altogether would effect a yearly saving to the State of no inconsiderable amount,—much greater, perhaps, than it would

be prudent to make known, if the proposed new system of taxation be a desirable change.

It may be observed, in further illustration, that the cost of maintaining our army and navy establishments is to be measured chiefly by the cost of the various articles required for the supply of the officers and men.

If these articles be subject to duties, the cost and the pay of the officers and men is increased in proportion to the duties on the quantity of taxed articles. It is obvious, however, that this increase is not at first, whatever it may be in the end, wholly a loss to the State; for, being intercepted by the duties, it finds its way back to the State, and is again re-issued, to be again restored.

But this involves the necessity of keeping up all the cumbrous and expensive machinery of our present system of Customs and Excise Establishments, with the Coast Guard Service, and all their terrible attendants; and, after a few re-issues and restorations, these intercepted duties are either altogether swallowed up, or so far diminished, by the enormous expenses and frauds of these establishments, as to have vanished from human sight, or power of calculation. But, if these articles were exempted from duty, it is obvious that the cost of supplying them would be so much less as the amount of the duty, and that the pay of the officers and men might, without injury to them, be proportionally reduced, though any such reduction in their pay is another question, on which no opinion is here offered.

It is on this calculation of drawback by taxes on articles of consumption, that Mr. McCulloch estimates the real magnitude of the national burdens at about 25 per cent. under their nominal amount, given in the official accounts. And supposing these to average, including local taxes, about £64,000,000, on this hypothesis, the real burden will be about £48,000,000.

BENEFITS OF DIRECT TAXATION.

If the present mixed and complicated system were at once swept away, and replaced by a system of direct taxation, we should be perplexed no more by drawbacks, allowances, and repayments; and the Government Accounts might then be a simple and plain statement of receipts and payments, open and intelligible to every inquirer. We should then be taxed no more in Customs and Excise,—those costly creations for cruelty and crime,—tormented and persecuted no more by Customs and Excise Officers,—impeded and injured no more by sufferance wharfs and bonded warehouses,—but free to come and go, to buy and sell, when, where, and how we like, without being overhauled, insulted, and cheated by a set of, for the most part, ignorant, low, mercenary, and vicious hirelings, made vicious by the vicious system of which they are a necessary part;—in short, we should then be free agents,—free to choose, free to think, free to act, and free to take the consequences,—the inherent right of every rational human being,—the natural prerogative of reason,—the first step to rational improvement, to religious and moral culture, and mental refinement,—the safest, and only safe, foundation for true patriotism and loyalty,—for peace and prosperity to every nation of the earth.

Smuggling, that fruitful source of guilt and wretchedness,—would then be a word which might be expunged, as useless, from our dictionaries.

Drunkenness, that fatal folly of the lower orders, fostered by misery and ignorance, would diminish, as their comforts and enjoyments, and their intelligence, increased.

Trade, expanding with unimpeded growth in the inexhaustibly fertile soil and genial climate of the British Isles, would spread over all the other nations

of the world, dropping the beneficent influences on other soils, for the benefit of other people; and, under the blessing of the All-directing Power, this nation, and this people, might be permitted to be as a bright beacon, to lead other nations and people, now wandering in the darkness of ignorance under the yoke of despotism, into the light, and along the pleasant paths of peace and plenty, by a free interchange of the special gifts of Providence to each, for the common good of the great and precious universal whole.

We might then pray, with some hope of our prayer being heard:—"Give us peace in our time, O Lord!"—We might then hope to avoid the necessity of employing physical, instead of intellectual or moral agencies, as the only effective means of controlling hostile tendencies, based on ignorance and prejudice.

ORIGIN OF INDIRECT TAXATION.

The plan of raising a portion of the national revenue by a tax on the importation of foreign articles of merchandise, offers at first sight, to superficial observers, so many apparent advantages that, delusive as all these are, it is no wonder it should have presented itself at a very early period to the minds of those charged with the duty of providing the pecuniary resources of the State.

The idea of favoring the home producer,—the belief, long prevalent, that the duty would, in reality, fall upon the foreigner,—the hope that the importing merchant, knowing that he would ultimately recover it from the consumer, would regard it only in the light of an advance, and would, therefore, not object to pay it; the expectation that the purchaser, to whom it would come only in the form of an undistinguishable element of the total price, would not detect it, or be inconvenienced by

it; and the obvious consideration that, as in the great majority of the articles thus burdened, the purchase was entirely optional, and the payment of the tax, therefore, in a manner voluntary; may all have combined to recommend the adoption of those indirect imposts now known by the name of Customs duties, and to have encouraged the increase and development of the system till it has reached its present unexampled magnitude.

There is, however, evidence of the existence of these imposts anterior to the times in which such considerations as the foregoing can be supposed to have had much influence; and, notwithstanding the weight of Sir Edward Coke's opinion to the contrary, it seems probable that they were originally of a Common-law character, and that their name of "Customs," or "Customary" levies, points to their exaction by traditional prerogative. However this may be, their legislative origin cannot be traced back beyond the reign of Edward I., A.D. 1297. In the year 1400 they produced, (or, rather were let for) the trifling sum of £8000. In the middle of the 17th century, they had reached a yearly average of about £500,000. At the accession of George III., they already yielded, £2,000,000: forty years afterwards, in 1800, the amount levied was about £11,000,000: and in the year, 1860–61, this sum had increased to £23,516,821, being an augmentation in the last century of nearly *twelve-fold.*

From the date of our earliest records there has been a progressive tendency towards rendering the tariff lists less and less voluminous. The principal reductions were made, as is well known, by the celebrated tariffs of 1842, and 1845, the latter of which alone removed upwards of 450 articles from the list of duty-paying goods; but since that year, and under every government, continuous and decided progress has been made in the same direction.

In 1826,	the number	of articles	subject to	duty was	1280
„ 1841,	„	„	„	„	1052
„ 1849,	„	„	„	„	515
„ 1853,	„	„	„	„	466
„ 1855,	„	„	„	„	414
„ 1860,	„	„	„	„	about 60

But in 1826, and so late as 1842, export duties were levied on five principal articles, with nineteen subdivisions, besides an *ad valorem* duty of one-half per cent. chargeable, with a few exceptions, on all other goods exported.

At present, no articles *exported* to foreign countries are subject to duty.

The trade of the Country has been further facilitated by the great diminution which has taken place in the number of articles charged with *ad valorem* rates, while the actual list in 1855 contains not more than forty, exclusive of the "unenumerated" articles, which pay from 5 to 10 per cent. on their value.

THE NAVIGATION LAWS.

By the repeal of the Navigation Laws many most vexatious and complicated restrictions on the trade of this country were, at last, happily abolished.

Any goods may now be imported in any vessels, and [illegible] country; and Ships may now be registered and [illegible] Great Britain, wherever built and purchased, [illegible]ver manned.

[illegible]possible to say to what extent the expansion [illegible] and the interests of Ship-owners have been [illegible] by this change alone.

[illegible] this some notion may be formed from the fol[illegible]able taken from the Eighth Number of the [illegible]nt Statistical Abstract, page 52.

Number and Tonnage of Sailing and Steam Vessels Built and Registered in the United Kingdom.

Years.	Vessels.	Tons.
1846	809	125,350
1847	936	145,834
1848	847	122,552
1849	730	117,953
1850	689	133,695
1851	672	149,637
1852	712	167,491
1853	798	203,171
1854	802	196,942
1855	1098	323,200
1856	1150	244,578
1857	1278	250,472
1858	1000	208,080
1859	939	185,970
1860	1016	211,968

The Navigation Laws, it will be remembered, were repealed on the 1st January, 1850.

THE BONDING SYSTEM.

It is obvious that, under the existing system of revenue laws, the commerce of this country could never have attained its actual enormous magnitude unless the great enterprise on the part of merchants, had been added a liberal disposition on the part of the State to give every possible facility,—consistently with such a system, for the rapid despatch of business.

Even the large reductions of duty which have been sanctioned year by year, would have been rendered comparatively inoperative, if tedious formalities and useless restrictions on the part of the revenue officers of the executive, had not been, at the same time, greatly mitigated.

It became early apparent that the exaction, immediately on landing, of duties payable on goods which

and before they were en-
y extra tax upon the im-
·able additional capital to

by the Act 12 Charles II.
tted the merchant to give
ty within nine months, in
:ceiving the usual mitiga-
ed him his choice between
r cent. discount. The ob-
of levying revenue alike
reign lands, also soon pre-
our legislators, and in the
. c. 4) the exporting mer-
or "draw back," the *whole*
, paid into the Exchequer,
nd tobacco, and *half* the
her articles, a distinction
y modified, and at length

nding) System," however,
forded the greatest facility,
:tical improvement yet in-
goods to be "warehoused"
'or a renewable period of
:hant the privilege of pay-
s are removed for actual
:he payment of duty alto-
exportation.
nprovement is traceable in
ought silks of India and
prohibited at home) were
'arehouses for exportation,
y the merchant for carry-
1709, pepper was allowed
" warehouses, on payment

, rights of bonding. Similar privileges
avor of specified localities on the north
resent, besides the docks and "legal
privileges are exercised by no less than
ifferance wharfs," of which thirty-five
g warehouses, and fifteen have, or may
ege of receiving all goods, except silks,
ods warehoused for exportation only.
nding privileges have been extended for
to private vaults, situated within 500
art of the river, between London Bridge,
ay—a concession which the trade has
o avail itself of. Already six vaults,
g in the aggregate above 10,000 pipes,
ved, and others are in course of pre-

en desired, both by the merchant and
to render this country the great com-
n of the world—the central rendezvous
ll sorts should come, not only for con-
r distribution likewise. To effect this
laxation of Custom-house regulations
ced, so as to facilitate transhipment in
nsit through the country by land, from

y course, it was the practice for such
ther duly entered for exportation only,
going the examination necessary to sa-
f the integrity of the transaction, and
e article—to be warehoused to wait a
tunity, on the occurrence of which they
d being given for their actual exporta-
s system a very large transit trade had
owever, it was thought desirable, and
, to extend. Accordingly, in 1850, re-
established under which goods may be

simply transhipped from the import to the export ves in the same port, and, perhaps, lying alongside. In t case, provided the merchandise in question be report as, "in transit," the importer is allowed to take out he his inward and outward documents at once, and t goods may be removed direct, as required, subject—und fraud be suspected—only to such a trivial examinati as may suffice to verify the correctness of the entry statistical purposes. The few years that have elap since this system was established have been enough show how great a boon it must have been.

The increase in the real, or computed value of m chandise thus dealt with, since the year 185[illegible] has be gradual, from 150 per cent. to 300 and [illegible] per cent.

The attention of the Commissioners of Customs [illegible] also been directed to the removal of many [illegible] and unnecessary forms in the documents [illegible] quired from masters of vessels and importers and simplifying, facilitating, and expediting, such as [illegible] not be dispensed with.

The rectification of errors in reports and entries, also made much easier than formerly, and the [illegible] modation—by arrangements made [illegible] which, in London, Bankers' Cheques [illegible] in lieu of cash, for the payment of [illegible] as shown by the number of merchants [illegible] themselves of this privilege.

The examination of the baggage of passengers [illegible] from foreign parts, has constantly [illegible] this system is persisted in, must [illegible] ject of natural and loud complaint. [illegible] have, however, shown a laudable [illegible] inconveniences, perhaps, as far as [illegible] many cases, baggage is now [illegible] steamers; but this experiment [illegible] very questionable success, [illegible]

d and passed is no longer under the
Custom-house officers, but is wholly
the crowd of thieves and coster-
these occasions, are ever waiting and
opportunities for carrying off their
revention of which the utmost care
the owners, bewildered and helpless
nfusion of landing, is too often insuf-
itigation, however, has been effected
rely passing through this country to
, by paying the duty as a deposit at
ival, and receiving an order for its re-
ort of embarkation. This, however, is
trivance, involving much trouble and
much vexation. The evils complained
e from the system.

cilities, afforded year by year both to
d general public, might be enumerated,
l upon are the principal, with one ex-
a most important one,—the abolition
r fees. The merchant is now subjected
sort, beyond the actual Custom duty
Parliament; whereas, in former days,
nly a portion of the various payments
on to make, before he could obtain
goods.

ence of the various circumstances here
—the simplification of the tariff, the
es, and the improved facilities to mer-
ers,—the commerce of Great Britain
vellous increase, and the revenue a still
elasticity. Between the years 1831
ry first extensive steps were taken in
prohibitions, and the reduction and
toms Duties.

lowed in 1842 and 1844 by still bolder

advances in the same direction, and every successi year has seen further progress, culminating in the vast reduced and simplified tariff of 1853. The net aggr gate of these reductions amounts to above *ten* millio Yet, notwithstanding, the Customs revenue has scarc varied for the last twenty years, ranging steadily fr twenty-two to twenty-three millions, sterling. In 18 the gross receipts were £23,149,000:—in 1860– £23,516,821.

In order to produce such a result, it is obvious th both the industry and the consuming power of t nation must have augmented in an extraordinary rat From the peace of 1815, to the year 1826, the i crease of our commerce had been very trifling. T entire imports, as measured by official value, showed great augmentation, but *fluctuated* about a medium £52,000,000. They were £58,000,000 in 1815, a £51,000,000 in 1826. From that date, however, b branches of commerce took a new start and have ne looked back.

In 1854 and 1855, it became necessary to incre the Customs Duties on four of the principal articles consumption, with a view of providing means towa defraying the expenses of the war. The taxes on t coffee, sugar, and rum, imported into Scotland a Ireland, were severally augmented accordingly. T duty on coffee was raised 33 per cent.; the utm diminution of consumption was only 6 per cent. T duty on tea was raised 17 per cent.; the falling off consumption was not a quarter per cent. The duty sugar was raised, on the average, about 25 per cent., and price of the article *in bond* rose also upwards of 30 cent. between 1854 and 1856: yet the entire differenc consumption in these two years was short of 10 cent. When it is considered that, in all three arti the duty forms a very large proportion of the en

cost to the consumer; and, in how trifling a degree this augmentation of the tax affected the use of the articles in question, this must be admitted to be a striking illustration of the continued prosperity, and vast consuming power of the country.

The Report of the Commissioners on the Customs, dated 20th February, 1857, concludes as follows:—

"The great extension of commercial transactions which we have recorded, has entailed its inevitable consequence in an increase of the numerical strength and cost of the Customs Establishment. We have found it necessary to make an addition of 174 officers during the past year, with aggregate salaries of £20,212; and the increase of £3000 on the sum paid for extra assistance in 1856, points to the probable necessity of a still further augmentation of the establishment during the ensuing year."

THE RESULTS OF FREE TRADE REFORMS.

Thus, it appears that, the application of free trade reforms has not only been perfectly successful when tried by the higher and larger tests of their effect upon the trade and general condition of the country, but they have been as strikingly successful as mere measures of finance.

The plea of the necessities of the revenue is a plea which is never likely to be disregarded in this country, where all are sensible that the calls upon the Exchequer must be fully provided for. But between a financial policy which confines itself within the hard and narrow limits of a restrictive system, and a line of procedure formed on a broader, but not less carefully considered, view, not only for the means of maintaining a sufficiency of revenue in a manner the least burdensome to the country, and the least oppressive to the people, there is great difference.

Important as were the relaxations which occurred at the various dates between 1820 and 1840, still the fact remains that, prior to 1842 the Customs and Excise continued almost stationary, notwithstanding the increase of population, and the capabilities for larger trade. Then came the change of policy. The narrow lines of our restrictive system, so rigidly and so long adhered to, were then widened and shortened. The attempt was then made to adjust the mode of raising taxes with some regard to the industrial classes upon which they chiefly fell. The result, as already shown, has been as instructive as salutary. Nothing can be more plainly shown than the success, as a mere policy of finance, of the free trade reforms.

We find, for example, in 1853, that in spite of large and continuous remissions of duties, the gross produce of the Customs and Excise combined, was already £700,000 *more* than in 1840. We see also that the reduction of duties on articles previously over-taxed, was much more than compensated by an increase of revenue on articles upon which no reduction was made. Upon this ground we can understand (as Mr. Tooke says, in his last valuable work 'On Prices') how it happened that tea and tobacco, in 1853, yielded (even at undiminished high rates) 3½ millions more revenue than in 1840; and that spirits and malt exhibited a similar increase of 2 millions.

The problem, therefore, has become (to use Mr. Tooke's language, with the alteration of only a few words) not merely to raise from year to year a sufficient revenue, but to raise it and, at the same time, to relieve the pressure of taxes on those parts of the system where they act as pernicious burdens.

It may be true, (Mr. Tooke says,—"It is quite true") that the magnitude of the debt renders it incumbent upon us to provide, at least, some annual

surplus towards its reduction; but, if any result be clear in the financial experience of the last fifteen years, it is this—that the most efficacious sinking fund that can be established is, the release of the industry and skill of the country as rapidly as possible, from the pressure of every fiscal burden which operates as a positive hindrance and oppression.

But it is quite true, as Mr. Tooke adds, and as her given altogether in his own words; "Our strength and progress consist far more in augmenting the ability of the country to bear the burden of the debt, than in attempting to diminish its magnitude by retaining taxes which prevent accessions to our ability; and the more rapidly we arrive at an adjustment of taxation so perfect and equitable that, for all practical purposes it may be regarded (considering its necessary magnitude) as imposing no oppressive burdens on the development of skill and enterprise, the more rapidly we shall arrive at that point where we may, with most advantage and safety, make the reduction of the debt our first and greatest concern; but, till then, few inferences from experience seem to be plainer than this, namely, that constantly observing the line of prudence, as regards a full provision for all our engagements, our first duty and our best policy is, to remove fiscal oppressions and inequalities."

The result of all this experience clearly shows that, every relaxation of restrictive duties has been immediately followed by an expansion and increase of trade. much more than sufficient to compensate for the loss of the abandoned duties; and that, so sensitive is trade to any restraints upon perfect freedom of action, the removal of any impediments, even in the minutest arrangements of official routine, is attended with immediate and sensible effects to the same end,—the extension and enlargement of trade, with all the necessary conse-

quences of increase in the rate of profits, and wages, and of employment, and comforts, to the working classes.

With such experience of relaxing only the rigid rules of the present system, what may not be expected from the total abolition of all restrictive duties, and other impediments to perfect freedom of trade in this country? Even the most sanguine advocate of free trade could hardly have foreseen such vast results in so short a time, from such small beginnings.

It is, therefore, impossible to calculate beforehand what would be the state of trade in a very few years from the date of its perfect freedom and independence. But this is certain, that in the absence of any national calamity from other causes, this country would then be in a state of prosperity and happiness unexampled in any period of its past history; and that the example of this nation would then be like a beacon of light to guide other nations of the world into the same track, that all may be as one nation, with one interest, mutually interchanging, for their mutual benefit, the varied and peculiar gifts of climate, soil, and produce, bestowed on each by a bounteous Providence, whose gifts are limited by no measure, and who would have all mankind as one People, looking to one and the same God, the Giver of all, and for the equal good of all.

This is the first step to the establishment of peace on the firm and sure foundation of one common and equal interest. Nations, like individuals, must learn from experience. They will then learn that, in the establishment of peace they are all equally interested, and when people are duly impressed with this, as a fact proved to their own conviction, war will be no longer possible. Year by year they will be learning this, through consequences which must convince them of the fact. They will see in the freedom of trade, the surest means of their own freedom and worldly welfare, and they will

learn to regard the interests of others, for the sake of their own, if for no higher and better motives. By these means savage and barbarous people will be first taught to appreciate the comforts of civilization, and they, in their turn, will become the promoters of civilization by the same means. Year by year, under this teaching, the shackles of slavery and serfdom must be loosened, and must, in the end, be allowed to drop off. Slaves and serfs must be set free, because it will be found to be for the interests of all that they should be free. Freedom of trade will be valued and guarded with no less jealous care, than the freedom of the Press now is in this country. To the freedom of the Press we shall owe freedom of Trade, and we shall value both equally.

We shall claim and exercise the right to buy and sell, as freely as we now speak and write. We shall learn to respect the grand simplicity of the Divine Commandments, written on tablets of stone by the first Lawgiver, and to submit ourselves, more faithfully than we have ever done before, to the Divine spirit of those ancient and eternal laws. We shall learn, through these, to see the wicked injustice, the unwise severity, and the feeble folly of most human laws; and, in the enjoyment of our own natural and lawful rights, we shall learn better to respect the natural and lawful rights of others. We shall learn that, what is in common language called, "accommodating oneself to the prejudices of individuals, or showing a prudent respect" for strange customs, and peculiar habits of thought, or for moral characteristics of nations, is nothing but a just appreciation of the intellectual and moral development of the individuals, or nations; and the right employment, in each case, of precisely those agencies of civilization which are fitted to be most effective. The work of legislation will then be comparatively simple, and the line of duty plain. The necessity of making just laws, and enforcing them, will

then be universally acknowledged and supported, and a vast majority will always compel the observance. The complicated interests of society will then be no longer the miserable excuse for unjust and oppressive laws, and Sovereigns and Governments will then find their own duties much more easy, and their own positions much more secure;—they will find their best security in the well-being and contentment of the people, and the people will find their greatest happiness in the preservation of peace and good order, which left them free to think and to act in all that concerned themselves alone; to manage their own affairs, and to enjoy the fruits of their own industry.

The People will then be encouraged to place confidence in sound principles, and they will make laws and regulations, for the government of themselves and their affairs, more in accordance with reason and justice,—more consistent with humanity and prudence. They will learn to respect and apply, in the moral affairs of this world, those truths discovered through reason, which, in the physical world, are revealed to us through the laws of nature; and they will proceed to act with the same confidence in the one, as in the other. Thus, they will derive incalculable advantages, far beyond the present reach of human foresight. Irreconcileable difficulties, in the present complicated state of human affairs, will then be simplified; and, by degrees, all will become reconcileable with reason and truth. Freedom of trade being seen to work for the equal benefit of all, will be recognized and established, all over the world, with universal consent; and freedom of thought and action must follow by the same universal assent.

The intricacies of the Currency Question, and all such like complications of artificial and unjust systems, will disappear, and the wonder of posterity will be, in the want of wisdom and foresight of their ancestors. Men

will be left more to regulate themselves as rational and responsible creatures; and things will be left more to the regulation of simple and natural laws. As for example, when free trade is admitted and established as a principle, it will no longer be possible to make gold and silver, or anything else, exceptions. The principle, once admitted as a law of nature, will be relied upon with the same confidence. All strange and anomalous distinctions, and irreconcileable differences, must then disappear, and with them will disappear most of the difficulties. Gold and Silver will then be bought and sold like any other article of merchandise. Mint price, and Market price, will then be known only as a matter of history; and the law which prohibits the Bank of England from purchasing gold bullion at the market price of the day, will be referred to with the same sort of astonishment as we now refer to those laws which prohibited the exportation of our woollen manufactures, or that natural production called, "fuller's earth," on pain of death; or which prohibited, under heavy penalties, on a *sliding scale*, the importation of Corn in times of scarcity. The true character of gold and silver as articles of merchandise, and as representatives of *debt*, not of value, in the form of currency, will then be better understood, and the difficulties arising from intricate artificial contrivances which now envelop the questions of currency and banking, will then disappear; the truth will then be seen in its simplicity, and, like the sun emerging from the obscurity of a cloud, will throw light around, making clear many objects now in darkness. Other improvements will follow, as simple and necessary consequences. As the improvement of the steam-engine has led to innumerable benefits to mankind, so will the principles of reason and truth, in all human affairs, lead to innumerable and far greater benefits to the whole human race. All mankind will be drawn and held

together by their common interests, as one brotherhood. In all that immediately concerns their common interests, in the affairs of this world, at least, all civilized people will require to be governed by the same laws and regulations for their common good. Many anomalous and absurd distinctions, which now confuse and distract all parties, and tend to separate and keep apart people of different nations, will then, by degrees, be swept away; and, though nationalities may be still preserved, yet mutual intercourse, for mutual benefits, will be encouraged: all civilised nations will become amalgamated, as one nation, for one common object, in their common good. For example,—they may preserve their own religion, language, national character, form of government, laws, and regulations; but still, they may agree to adopt, for their mutual convenience, uniformity in the mode of computation, and in all weights and measures. Each nation may retain its own money and nomenclature; but all may agree to reduce it into decimal divisions, for the equal convenience of all. Perfect freedom of action, and even fancies, may be preserved, and yet one rule, founded on reason, may govern all, for the equal benefit of all.

Thus, a mutually beneficial intercourse would be encouraged and maintained with all civilised nations: all would contribute, and would receive: the bond of union would be ever strengthening, and would be held fast by one common interest. Thus it might be, and thus it surely will be. It is only a question of time. But the sooner the better, for time must always be a question of life and death. We might then hope to see the world governed by more generous principles than it has ever yet been. We might then hope to see the world full of free nations: mankind a great family and household constituted of self-governing members, related to each other principally by voluntary ties,—of affection and

honor, and mutual service. We might then hope to see national selfishness perish, and the whole world become a commonwealth of independent nations, with England foremost in the good work of promoting the spirit of human brotherhood.

Such was the view of Dr. Chalmers, and as this opinion was expressed by him in the concluding part of his last work on Political Economy, the following is given in his own words; for the opinion of such a man, on such a subject, will be received by all men, of all parties, with the most respectful consideration.—

"We cannot bid adieu to our argument without making the strenuous avowal that all our wishes and all our partialities are on the side of the common people. We should rejoice in a larger secondary, and a smaller disposable population; or, which is tantamount to this, in higher wages to the laborers, and lower rents to the landlords. But this cannot be effected, save by the people themselves; and that not by violence on their part, or by any assertion, however successful, of a political equality with the other orders of the State. There is no way of achieving for them a better economical condition, than by means of a more advantageous proportion between the food of the country, and the number of its inhabitants; and no other way of securing the proportion, than by the growth of prudence and principle among themselves. It will be the aggregate effect of a higher taste, a higher intelligence, and, above all, a wide-spread Christianity throughout the mass of the population; and thus the most efficient ministers of that gospel which opens to them the door of Heaven, will be also the most efficient ministers of their temporal comfort and prosperity upon Earth. Next to the salvation of their souls, one of our fondest aspirations on behalf of the general peasantry is, that they shall be admitted to a larger share of the world's abundance than now falls

to their lot. But we feel assured that there is no method by which this can be wrested from the hands of the wealthier class. It can only be won from them by the insensible growth of their own virtue."—

This opinion will be shared by most readers. It is not desirable, nor is it believed to be desired by many in this country, that anything should be *wrested* from the wealthier classes; but only that there should be a more equal distribution among all classes, of the abundant gifts of nature, in all that concerns the necessaries and conveniences of civilised life, and that this should be won by the virtue of the people, on the one side, from the just concessions of the wealthier classes, on the other side, for the increase of wealth, and its only true enjoyment, to all.

That this great object can be accomplished only by the wealthier classes taking upon themselves the burden of taxation, for the relief of the poorer classes, thereby bringing the necessaries and healthful conveniences of life within the reach of the poorest, and thereby lifting up the lowest to better hopes, and higher self-respect, was the opinion of Dr. Chalmers, and this was the unceasing aim of his ministry and labor of love on earth.

It was this feeling, and this object alone which, late in life, directed his inquiries into the dry details of political economy,—for which, perhaps, he was but imperfectly prepared. But, if the natural bent of his mind drew him insensibly into some of the errors of the old Tory principles, which prevailed in his days, and in which he was bred up, so much the more weight is due to his opinion when at variance with those principles, and when the dictates of his righteous mind, and loving heart, seem to have emancipated him from the prejudices of his position and early life, and to have added fresh energy and clearness to his fine intellect, and vigorous nature.

It is a truth which cannot be denied that, life, to the many, is made too hard, too wearisome: that this world's abundance is not fairly distributed—is not distributed according to the original intention and design. There is a great and general mistake about the objects and duties of this life.

As Dr. Johnson said:—

"Life consists not in a series of illustrious actions; the greater part of our time passes in compliance with necessities—in the performance of daily duties—in the removal of small inconveniences—in the procurement of petty pleasures; and we are well or ill at ease as the main stream of life glides smoothly, or is ruffled by small and frequent interruption."

It is an ill part in a Government which requires the whole of our time to be passed in compliance with necessities—in the performance of daily duties; which increases the small inconveniences, and diminishes the petty pleasures, and which prevents the main stream of life from gliding smoothly, by many and not small interruptions.

What Government on the face of the earth is free from this reproach?

Many may think that these remarks are introduced for the purpose of mere embellishment to a dry and uninviting subject; but, however that may be, the facts remain the same, and every candid enquirer must see that the operation of free trade principles is, to increase the necessity for proceeding in the same course, until the end in perfect freedom be attained;—that we can maintain our position as a nation only by constant enterprise and vigilance, and that these *must* force us onwards to that end.

OPINIONS OF SIR ROBERT PEEL.

Whatever may have been the [illegible] of Sir Robert Peel on the Free Trade [illegible] of his political career—[illegible] change in the latter part [illegible] communication to the manufacturers [illegible] in answer to their address [illegible] measure of financial and commercial [illegible] cument, dated 6th August, [illegible] to the memory of Sir Robert [illegible] with so much satisfaction [illegible] much instruction by all parties [illegible] whole is here given in his own words.

"Your address, in which [illegible] tion of the great measure [illegible] reform which I have consistently [illegible] Parliament, I have received [illegible] object of the Income Tax [illegible] deficit, but also to lay the foundation [illegible] tem of taxation, by putting [illegible] on raw materials, as well as [illegible] of the Excise, and the duties [illegible] necessary to the comfort [illegible]

"The Bill, having for its [illegible] paper currency, has in no [illegible] dual interest, nor has it [illegible] of the advantages of paper [illegible] the issue of this medium [illegible] sonable restraints, the [illegible] ing abuses in times [illegible] commercial interests of [illegible] speculation. This Bill [illegible] tled value, in making it [illegible] I learn with pleasure that [illegible] measures have been pro[illegible]

politicians of other countries. That part of your address wherein you admitted the principle of commercial legislation, which, by order of Parliament, is now in force, has afforded me, above all this, the most lively satisfaction. The measures proposed, for the diminution of Custom-house duties, have been brought forward without any similar concessions having been offered by foreign countries; they have been proposed because the general interests of the country demanded it. Their effects are sufficiently advantageous to fully justify the step we have taken; for it is contrary to the principles of political economy to purchase, at a dear rate, articles of inferior value; and the authors of this measure have thought, without entering into negociation and minute detail, that the principles of their commercial legislation would be adopted by other nations. Difficulties and obstacles may arise, and financial embarrassment, which appears to be the strongest argument in support of the protective system will, in certain countries, be advanced as a reason for continuing it. Individuals who profit by high duties are favourably listened to by Government; in other cases they form the most numerous part of the population, or, at least, a powerful party in the legislative assemblies.

"Interests are thus represented *en masse;* but this isolated interest cannot long offer resistance to the arguments and manifest interest of the great social body. The public financiers labor under a double disadvantage; first, by the prejudice with which they are regarded, and the consequent support offered to smuggling; and, secondly, by the great expenses incurred in its suppression; so that, eventually, it will be seen by those who are responsible for the financial condition of their respective countries, that it is prudent and politic to replace, by such moderate duties as will permit the commerce and revenue of the country to increase, those high duties

which either diminish, or altogether prohibit, the importation of foreign produce, and sustain certain branches of trade at the expense of the public finances.

"The social condition of that country which maintains with the greatest rigor the protective system, will be opposed to the state of another which has adopted *liberal* principles, and the conviction of the *value* of such principles will not obtain, unless by the encouragement of the freedom of exchange amongst all the nations of the world; the well-being of each individual will be increased, and the will of Providence will be fulfilled—that Providence which has given to every country a sun, a climate, and a soil,—each differing one from the other; but, on the contrary, in order that they may feel their reciprocal dependence by the exchange of their respective produce, thus causing them to enjoy in common the blessings of Providence. It is thus that we find, in commerce, the means of advancing civilization, of appeasing jealousy and national prejudice, and of bringing about universal peace, either from national interest, or from Christian duty."

It may be interesting to some, at this time, [illegible] further retrospect of the altered views of Sir [illegible] Peel on these questions, as first declared by him [illegible] Parliament, and to try these by the results of [illegible] experience. The following is an extract from [illegible] in the House of Commons, on introducing [illegible] policy in his Customs Acts Bill, 10th May [illegible]

"Speaking generally, we have sought [illegible] prohibitions—all absolute prohibitions—[illegible] of foreign articles, and we have endeavored [illegible] duties, which are so high as to be prohibitory [illegible] scale as may admit of fair competition [illegible] produce.

"In cases where that principle [illegible] from, and prohibitory duties maintained [illegible]

our departure from the rule by special circumstances of the case; but the general rule has been to abolish prohibitions, and to reduce prohibitory duties within the range of fair competition. With respect to raw materials, which constitute the elements of our manufactures, our object, speaking generally, has been to reduce the duties on them to almost a nominal amount. On half-manufactured articles, which enter almost as much as the raw material into our domestic manufactures, we have reduced the duty to a moderate amount; and, with regard to completely manufactured articles, our design has been to remove prohibition, and to reduce prohibitory duties so that the manufacturers of foreign countries may enter into a fair competition with our own. I still entertain that confident belief and expectation which I expressed on first intimating the intention of Government as to the tariff, that the general result of it will be, if adopted by the House, materially to diminish the charge of living in this country. If you say to me that, we do not make sufficient reductions on particular commodities which are material items in the expenditure of a private family, I am quite ready to admit it, as far as relates to individual articles; but I speak of the general effect of the tariff as proposed by Her Majesty's Government. If there be any truth in the principle either of trade, or of arithmetic, I contend that its inevitable effect must be, to give great advantages to all classes of consumers, and to make considerable reduction in the cost of living. Taking the reductions on raw materials, or half manufactured goods, I am persuaded that the general result will be, to make a considerable saving in the expenses of every family in the kingdom."

On the same occasion, to show the delusive characters of high duties, Sir Robert Peel said:—

"There is another and an exclusive ground, on which I vindicate a reduction of the high duties on articles

of manufacture. I say that, these high duties are a delusion, that they do not constitute a protection t British manufacturer, and that, in looking to these d for protection, he rests entirely upon a fragile and fait support. The check to their operation is, the smug It is a mere delusion to tell the home manufacturer you levy a duty of 35 or 40 per cent. upon the imp tion of foreign manufactured articles, if he be robb that apparent protection by the importation of the articles in an illicit way, consequently, I think I conclusively show that, there is no reduction prop with respect to foreign manufactures, which I ca vindicate on this single and exclusive ground that duty remains at last as high as you can possibly le without calling in the interference of the smuggler."

Again, to show the effect of prohibition in che improvement, in a debate on a petition presented by Baring, against the removal of the prohibitions on fo silks, so far back as 5th March, 1824, Sir Robert said:—"The honourable member has said that, i silk manufacture, Great Britain is inferior to Fran point of taste and machinery. Now, does not thi lead to the suspicion that, on account of our prohibi the same improvements have not been made in all ot Let those prohibitions be removed, and our taste our machinery will speedily improve."

Again, the opinion of Sir Robert Peel on the t duties will now be read with interest. In the c on Ways and Means, 23rd March, 1842, he said: am prepared to contend, if the country can mak remission of taxation, that there is not a single [illegible] the tariff upon which a reduction of duty would [illegible] greater effect, in encouraging the industry of the [illegible] than the article of timber. . . . The ancient policy [illegible] country was, to encourage the importation of [illegible] a nominal, or a very small, duty, as was [illegible]

[illegible] Lower House. In 1845, in the mass of [illegible] the whole duty on foreign timber was only 3s. [illegible] and of course less the governments of those day [illegible] wood in the light of a raw material, entering [illegible] most every species of manufactures, and, consequently, deeming it expedient that a low duty should be [illegible]. It was not, therefore, until the lowness of the duty, that wood was subjected to increased taxation. Now, then, Sir, is not my proposal in accordance with the ancient principles of our taxation, at the same time that it is calculated to benefit the consumer, and confer a greater benefit on him than he could obtain from the proposition of the right honourable gentleman? I again, then, repeat my conviction that, if I can secure a tax on the property of the country, and reduce the timber duty, I shall do more to restore activity to our trade and commerce, and to benefit the population of the country generally, than by any single measure that I could propose to Parliament. And before honourable gentlemen decide on this point, I wish they would read the evidence, given before a Committee of this House, with respect to fisheries. They will find, by reference to the Reports of the Committees on Import Duties in 1805, and in 1840, that our fisheries are represented to be subject to very great disadvantages in consequence of the existence of this timber duty. I would refer gentlemen particularly to the evidence given by Mr. John Mitchell. Let them attentively consider what he says, as to the superiority of the humbler classes of Norway, to those of our own country, arising solely from the cheapness of wood. Then, again, I would ask gentlemen to read the evidence as to ship building. They will find it stated under that head, that the timber duties are acting most injudiciously to the interests of our ship-builders, and that even the trade of the country in ship-building is leaving us on account of the [illegible] these duties. Therefore, I say

that my proposition is one of the best measures for the consumer, the ship-builder, and the country generally, that it would almost be [illegible] to propose."

And again, on the same occasion, in the debate on the Report on the Income Tax [illegible] 1842, he said:—"If there be any article [illegible] common consumption of the poor [illegible] which ought, if possible, [illegible] it is this very article of timber [illegible] I have before me, of the effect [illegible] timber would produce [illegible] improvements, and in the promotion [illegible] bridges, and of piers, [illegible] whelming that it is almost [illegible] necessity of reducing [illegible] increased sources of employment [illegible] open to the working classes [illegible] of the shipping interests—[illegible] commercially and politically [illegible] of that interest:—how [illegible] than by facilitating the [illegible] enable the ship-builder [illegible] builder abroad, to how [illegible] employment? What vast [illegible] may we not expect to accr[illegible] price of timber been a g[illegible] struction of houses? Ha[illegible] of building? What has [illegible] construction of cottages [illegible] the poor in Ireland, an[illegible] member, who has read [illegible] House on that subject, sa[illegible] contain the strongest po[illegible] more severely felt in Ire[illegible] The high duty also op[illegible] British fishermen. Ow[illegible]

of their boats the foreign fishermen enjoy a monopoly of fishing in deep seas. Reduce the price of timber, and you at once enable our fishermen to compete with them, and thus give the means of employment to a large number of men. . . . By adopting my proposition with regard to timber, we shall increase the demand for productive industry, whilst, at the same time, we shall indirectly increase the revenue."

And again, on the subject of tallow, in the debate on the Soap and Tallow duties, 15th March, 1836, Sir Robert Peel said:—"I will not consent to increase the duty on tallow, in the present condition of this country, for many reasons. How can we expect that the portion of our manufactures which depends for success on a foreign market can thrive, if we do not permit a reciprocity of commerce; and if, on the contrary, we increase the duty on the raw material in which foreigners are able to pay us? I am not able to perceive any sufficient cause which operates to warrant an exception, in the case of Russian tallow, to the general rule. The relative position in which Russia stands to this country ought to receive particular attention. She comes very little into competition with our commerce. She does not interfere with our manufactures in foreign markets. She sends us raw material, and takes our manufactured article in return. And were we to raise the duty on tallow, where would be the advantage to ourselves? Unless the proposition extended to foreign oil, as well as to tallow, the expected advantages would not result to the agricultural interest; and if the former article were also saddled with a protecting duty, it would have a serious effect on a branch of our manufactures that could hardly endure it. Candles would inevitably rise in price; and, were we to consider how much this would interfere with the means, the comfort, and the remuneration, of the hand-loom weavers who

work so many hours by candle-light, we should [illegible]
before we created such an additional [illegible]
the extensive branch of manufacture [illegible]
assistance. By acting in such a manner, it is clear
that we should increase the [illegible]
now happily exist between the country and [illegible]
should interfere with the [illegible]
manufactured produce [illegible]
which supplies an [illegible]
and should also [illegible]
necessary for our [illegible]
that would not [illegible]
might immediately [illegible]

On the subject [illegible]
Customs Acts, 18[illegible]
"I cannot deny [illegible]
tured silk is [illegible]
would result from [illegible]
between this country [illegible]
looking to the state [illegible]
and England, the [illegible]
ment too hastily [illegible]
well to make conces[illegible]
can be obtained from [illegible]

On the subject of [illegible]
in the debate on the [illegible]
Sir Robert Peel said:— [illegible]
tax was ever imposed [illegible]
of its inequality? [illegible]
tax?—the window tax [illegible]
when first imposed [illegible]
one's eyes? Must [illegible]
bear unequally on the [illegible]
of the professional [illegible]
may urge good [illegible]
assessed taxes. The [illegible]

capital, has the greatest facilities for evading the tax; he can remove to the Continent, and draw his income as he requires it; but the professional man—the lawyer, for instance, or the medical man,—is compelled to remain in this country, and to submit to the indirect taxation which prevails."

Such were the declared opinions of Sir Robert Peel on these questions, and in reviewing these opinions now, the only wonder is, how a man so clear-sighted, could have spent the greater part of his political life in counteracting the views which he so ably maintained towards the conclusion of his career.

But the time is now very near when all Customs and Excise duties must be abolished. The arguments so well directed by Sir Robert Peel against these duties which he repealed, apply with equal force to all which he left unrepealed. The difference is only in the degree of importance of the duties repealed and unrepealed: the same argument applies equally to all.

ABSURDITIES OF EXCISE, STAMPS, AND ASSESSED TAXES.

Injustice is the most proper term to apply to all our duties of "Excise and Taxes," but some of the smaller of these are so absurdly partial and impolitic, as interfering with particular trades, and with the health and enjoyment of the People, besides diminishing the field for their employment, that a special notice may here very properly be made of some of these absurdities and inconsistencies. The duty on post-horses, and on horses kept for private use, interferes injudiciously with the breeding of horses, and is, besides, an assessment inquisitorial and annoying in its character. The duty on carriages keeps back the trade of coach-making, and all [illegible] arts connected with it. The tax on

hackney and stage carriages is an injudicious tax o
healthful enjoyment and recreation of the middl
working classes. The various Excise duties on Lic
more or less hindrances to trade, are taxes on p
before they are made, and are the more obnoxious
being extremely partial. There is no more reaso
a man who sells tea, coffee, tobacco, or snuff, wi
spirits, should pay a licence fee, than a man who
bread, or meat, or vegetables. There is no more r
why the man who carries on his back, into remote
of the country, supplies of goods for the mind, i
form of books and tracts,—or, for the body, in the
of wearing apparel, or ornaments for the person, s
pay the hawker's or pedlar's licence fee, than the
seller, or other tradesman in the town who sell
same articles. With more appearance of reason
the hawkers and pedlars be encouraged in their
vocation.

It is not easy to see why bankers should be bur
with a licence duty of £30 a year for liberty to p
their calling, and merchants should go free. No
attornies, special pleaders and conveyancers, in L
and ten miles round, should pay for their certi
practise £9 a year, or, if beyond that distance,
year; and why barristers should go free, nor
youth should be taxed with a stamp of £5
Articles of Clerkship to an attorney, and a yo
a barrister should should go untaxed; nor why a
eers should be obliged to take out a [illegible]
charged with a duty of £10 for selling [illegible]
what might be sold by private contra[illegible]
duty; nor why pawnbrokers residing [illegible]
Westminster, or within, what is still [illegible]
penny post range, should be charged [illegible]
licence of £15, or, residing elsewhere £[illegible]
why an appraiser should be charged [illegible]

of £2; nor why a person going from town to town, or to other men's houses, carrying to sell, or exposing to sale, any goods wares or merchandise, should be charged yearly for a hawker's licence, £4; and further, for every beast bearing or drawing burden with which he shall travel, £4; nor why vendors of medicines within the limits of the two-penny post, or within the City of Edinburgh, should be charged with a yearly licence of £2; and in any other city or borough, or in any town corporate, or in the towns of Manchester, Birmingham, or Sheffield, with a yearly licence of 10*s*.; and in any other part of Great Britain with a licence of 5*s*.; nor why every driver of hackney carriages, or conductor, or driver, of metropolitan stage-carriages, or waterman, should be charged with a yearly licence of 5*s*.; nor why every person who lets to hire any hackney carriage within five miles from the General Post Office, in the City of London, should be charged with a yearly licence of £1; and for and in respect of every such licence a weekly duty, for every day in the week, of 7*s*.; and for every day, except Sunday, 6*s*.; nor why a licence, called *special*, to be married, should be taxed with a stamp of £5, and a licence, not special, to be married, should be taxed with a 10*s*. stamp; nor why marriage should be taxed at all; nor why a licence to hold a perpetual curacy, not proceeding upon a nomination, should be taxed with a stamp of £3. 10*s*., nor why a licence for the non-residence of a clergyman on his living, in England, should be taxed with a stamp of £1; nor why any other ecclesiastical licence in England or Scotland should be taxed with a stamp of £2.

All these are strangely inconsistent anomalies, and being unequal, are unjust.

But the injustice of many of these is accompanied with the grossest absurdity, as, for instance, in the case of Auctioneers, when it is considered that some of the

Auctioneers in towns are making large incomes by their calling, while others in remote parts of the country are, perhaps, hardly making enough to pay the duty. The same remark applies to the business carried on by a first-rate banking-house in the metropolis, and by a banker in a small country town. It is obviously quite impossible to assess such duties in any given proportion to the incomes of the contributors, and that, being fixed on a few callings only, without reference to the means or ability of the party to bear them, they are all of them manifestly partial and unjust.

With respect to the Stamp duties generally, and especially the Stamp duties on Probates, Legacies, and Successions, there are such remarkable instances of unjust and oppressive taxation that, the wonder is they were ever suffered, and still greater wonder that they have been suffered so long.

With respect to the duty of Successions, now fixed on the whole landed property of the kingdom, this is one of the most marvellous instances of confiscation, under the name of taxation, ever permitted in this country, and it is impossible to suppose that the landowners were aware of the effect of this law, when they allowed it to pass. It is the nearest approach to confiscation which has ever been made in this country by authority of the Law, being a seizure of capital, and in the course of time it must operate to confiscate a large portion of the unentailed landed property of the country. If this law should continue for half a century, its operation must be to make a large portion of the land of this country change hands.

When this law is felt in its full effect, it will be found to change the ownership of many of the oldest family estates in the kingdom; and if, by the Conservative power of entails many of these estates be still preserved in the old ancestral line, some of the possessors will find

selves with incomes so reduced, as to be quite un-
to their apparent position as lords of the soil, and
inadequate to maintain what are now considered
the necessary honors and hospitalities of the an-
House.

law that ever passed was so fatal to the wealth and
of the Landed Aristocracy of Great Britain, as
aw which imposed the Succession duty on landed
s. By a slow but sure process, this addition to the
able burdens on land will work the downfal of a
portion of the present families which constitute
anded aristocracy of the kingdom. Estates will
e hands, and time-honored names will be obliterated
rent-rolls, and will be remembered no more. These
be absorbed by the great capitals accumulated in
. The merchant-princes will be the lords of the
and the present landlords, or their generations, will
ne the laborers; until the same process has worked,
ture generations, the same results. But, in the
time, the sources of national prosperity will have
impaired. Land will have depreciated in price,
trade will have diminished in proportion. Trade
ever be, in a great measure, dependent for its pros-
on the prosperity of land, which is, and ever must
e basis of the nation's wealth. As land deteriorates
ice, so must capital and trade diminish in quantity.
flourishing state of trade, and a depressed state of
alture, is a state of things which has never yet been
n, and which never can occur in this country. It
be taken as an axiom in political economy that,
nterests of land and trade are identical, and inse-
le;—that taxation injurious to one, is injurious to
; and, therefore, that it is the interest of both that
should not be over-burdened with taxation. The
able equilibrium has been more seriously disturbed
e recent imposition of the Succession duty upon

land, than by any former Act of
is not easy to retrace such a false
only way left is, to sweep away,
the old and injurious system, and
pendages.

It is no answer to say that, th
imposed for the purpose of preservi
between Real and Personal Estat
answer to the question of the pro
measure, than it would be a jus
violence and injustice, by the pe
The Probate and Legacy duties
ago on personal property, were
measures, and the injustice and
larged and perpetuated by extend
to land.

Hear what the most eminent
day says of this fatal measure to
land.

The following are the words of
his "Handy Book."

"I must conclude by reminding
Duty Act (16 & 17 Vict. c. 51), w
perty of half its charms: it is as
on the fair fields of England.

"Every man had the right to
his sheep-skins—in his own box
one had a right to pry into the
ments. Now, every man's settle
the tax-office, and to the Govern
on the watch for a new succession
duty. If, for example, a stipend
servant, who dies, as even annui
that creates a succession, and the
property has to pay duty for his
cannot, when liable to duty, cu

beyond the value of £10 a year, without giving notice to the tax-officer, and paying duty, Mr. Pitt, in the plenitude of his power, was foiled in his attempt to introduce a much milder impost on Successions than is fixed upon them by the law to which I have referred you. The net is large and wide-spread, and the tax, from its nature, is the most vexatious burden ever laid upon property in England."

But what will Englishmen think when they are told that this tax has been adopted by the British Legislature on the suggestion of St. Simon, the Founder of French Socialism!

They will, perhaps, ask for some evidence of this fact —and here it is.

Without entering into the doctrines of this modern school of infidelity and anarchy, it may be sufficient to give the principles of this arch-impostor, as publicly announced in Paris six years after his death, by his successor, M. Enfantin, the acknowledged chief of this infamous sect. It was thought advisable that this New Church, as it was impiously called, should have a Journal of its own, and the 'Globe' having been offered, was bought on the 31st January, 1831, after which date it appeared with the addition of the words,

"Journal of the Doctrine of St. Simon."

And with the following heading:—

"Religion."

"Science." "Industry."

"Universal Association."

"All Social institutions ought to aim at the amelioration, moral, intellectual, and physical, of the greatest and poorest class.

"All the privileges of birth, without exception, are abolished.

"To every man according to his capacity—to every capacity according to its works."

the revenue of the State. This tax should become still heavier as the heirs were further of kin from the deceased: and this mode might, by many persons, be preferred to an actual seizure of an Estate in default of direct heirs, as removing the necessity of intrusting the management of the property to the hands of incapable public servants. This tax, even on direct succession, was defended on the ground that it was taken at the time the property changed hands, and when, in many cases, it was about to devolve on those who would, unfortunately, be perverted by it from industrials, into idlers.

It was contended by M. Enfantin that, at the time when property changes hands, a diminution of it is little felt, and that a seisure of a portion of it thus differs entirely from the confiscation of part of an Estate of a living man.

The answer to all this sort of reasoning is obvious. Most of the Estates are small, and descend to the Widow and Children of the deceased. In such cases it cannot be alleged that the heirs are turned from the pursuits of industry, to live in idleness; for it more often happens that they are reduced from comparative affluence to poverty; the death of the head of the house annihilating the income derived from his exertions. The funeral expenses, and the necessary legal charges are considerable; and it is generally felt to be a great hardship that Government should step in at such a season of distress, to seize, by Probate and Legacy Duty, a share of the slender portion of the Widow, or the Orphan,—acting like Wreckers on the coast who prey on the destitution of the afflicted.

There is, however, another objection which, on considerations of political economy, ought to be conclusive. This tax falls on capital, whereas all taxes should be taken from the yearly produce of capital.

Capital is the foundation of social wealth, and is, therefore, necessary to national progress, and prosperity.

The increase of capital, therefore, should be the aim of every Statesman, and the fear of excess is, practically, groundless.

Governments may safely leave the propensity to accumulate to take care of itself, but to prevent, or discourage, accumulation is as unwise for the interest of the State, as it is unjust to all classes.

It would be an injustice, however, to attribute such sentiments to the St. Simonians. Their desire was to protect property, but to abolish inheritance:—to allow the wife and family to share the possessions of the husband and father during his life-time, but to filch those possessions at his decease, as the property of the State, leaving the widow and her little children to work or starve.

The French Government wisely rejected these theories, and, whether wisely or not, prosecuted the propounder, M. Enfantin, and condemned him to imprisonment.

The British Legislature adopted them, so far as filching for the Government, under the heading of 'Succession Duties,'—and for this step into Socialism we are indebted to the St. Simonians, and a treacherous or benighted Parliament.

This was a rash and weak experiment in legislation, proceeding on the false and foolish notion of compensating one wrong by the commission of another and greater of the same kind. Instead of the Succession Duty acting as an equilibrium to the Probate and Legacy Duties, —instead of preserving the balance between Real and Personal Property,—the direct operation is, to impose an additional and heavier burden on both. We can never compensate wrong by wrong; and wrong can never become right; for though good may, and often does ap-

pear to come out of evil, yet evil never becomes good. By a power far higher than man's agency, the good prevails over the evil;—not through the evil, but in spite of it.

In the competition between good and evil in the affairs of this world, it is the first duty of a Christian Legislature to act on the principle of equal justice, and not to seek by *compensation* to make wrong more tolerable.

Every such attempt must fail, because it can only aggravate the original evil, by making the first wrong the greater, and more lasting.

Especially applicable is this moral truth to the political interests of this great Commercial Country. We are, as Mr. Tooke remarks,—"Competitors in a race in which the smallest inequalities of pressure may give an advantage or a victory to rivals who, with greater skill, or greater prudence, have provided for a more unfettered command of their natural aptitude for the contest." And, as he wisely adds:—"No Free Trade Financier will imperil the public credit by rash and weak experiments; but, while he regards caution as his first duty, he will also regard improvement as his first maxim."

In imposing taxes, he will be the most skilful financier who can imagine himself in the position of the persons liable to pay any particular tax.

It is impossible to suppose that many of the vexatious and profitless imposts which have been laid upon the People of this Country would ever have been proposed, if Statesmen had, by experience, or by imagination, attained to an adequate notion of the personal inconvenience caused by these imposts. And what is public good, but an aggregation of personal convenience?

The greatest happiness of the greatest number, can never be incompatible with the welfare of any Nation.

GENERAL REVIEW.

In reviewing the taxation of this Country, it is impossible to come to any other conclusion than that, it has grown up with the Country, and has been imposed from time to time under pressing emergencies, without any system, and by selfish and interested classes, who consulted only what they believed to be their own interests, regardless of consequences to others.

Thus was imposed the great burden of taxation on corn and wine, and all other intermediate necessaries and comforts of life, under the notion that the taxes, so disguised, would be spread over the great mass of the people, who would know little or nothing about it, and who, in fact, had little or nothing to do with the making of the laws. Nor is this any fanciful imputation. Mr. M'Culloch, before quoted, describes a tax "to be *direct* when it is immediately taken from property, or labor; and *indirect* when it is taken from them by making their owners pay for liberty to use certain articles, or to exercise certain privileges." Assuming this definition, mark his reasons for his preference. He says:—

"Indirect taxes have, with few exceptions, been the greatest favorites both of princes, and subjects, and there very sufficient reasons for the preference of which they have so generally been the objects. The burden of direct taxation is palpable and obvious. It admits of no disguise, or concealment, but makes every one fully sensible of the exact amount of his income taken by Government. We are all, however, extremely averse from parting with property, except we obtain some more acceptable equivalent in its stead. And the benefits derived from the institution of government, though of the highest importance, being neither so very obvious nor striking as to be readily felt and appreciated by the bulk of the

people, there is, in the great majority of cases, a strong disinclination to the payment of direct taxes.

For this reason, Governments have generally had recourse to those that are *indirect.* Instead of exciting the prejudices of their subjects by openly demanding a portion of their incomes, they have taxed the articles on which these incomes are usually expended. *This ingenious plan conceals the amount of taxation, and makes its payment appear in some measure voluntary.* The tax being generally paid, in the first instance, by the producers, *the purchasers confound it with the actual price of the commodity.* No separate demand being made upon them for the tax, *it escapes their recollection,* and the article which they receive seems the fair equivalent of the sacrifice made in acquiring it. Such taxes have also the advantage of being paid by degrees, in small portions, and at the time when the commodities are wanted for consumption, or, when it is most convenient for the consumers to pay them."

Any more conclusive argument than this against *indirect* taxation it is impossible to imagine. This is very like the reasoning of a set of thieves, or swindlers, and the meaning of it all, in a few words, is that, the Government intentionally deceives the people, who, being ignorant, or confounded and confused, are unconscious that they are swindled,—the fact "escapes their recollection," and they are deceived and defrauded. The question whether or not this deception be for the benefit of the People remains the same. If this "ingenious plan" be really for their benefit, by lightening the burden, nothing can be said against it; but if, on the contrary, the burden be increased, and the evil greatly aggravated by placing the greater part of the burden on the wrong shoulders, then this "ingenious plan" is a disgraceful fraud. And such, indeed, was the origin of this "ingenious plan" of *indirect* taxation. Until the

reign of Charles, the First, no considerable attempt had been made to substitute indirect for direct taxation; and that attempt, when made, gave rise to much political agitation. That unfortunate King's object was, to obtain money, but to obtain it by this means was then held by many to be swindling.

It is much to be regretted when a person of admitted abilities, and great industry, lends himself to a Government for the support of views which it is difficult to believe that he can seriously entertain, and if he should be influenced by the emoluments of a place under the Government, (which in this case no one has any right to assume) the fewer places at the disposal of the Government the better, and very few would be at their disposal if all *indirect* taxes were at once swept away.

The real question, therefore, is in no degree advanced by this view. But when the chief argument in favor of any measure rests on Concealment, that alone affords a strong ground for suspicion that something unfavourable to a fair conclusion is concealed. The pretended "advantage of being paid by degrees, in small portions," is very like a recommendation of slow poison, because it may be administered "by degrees, in small portions."

What if our revenue laws do depress and diminish the trade and manufactures of the country,—do deprive the laborer of the fair reward of his labor,—do sink all the laboring classes more or less in poverty, and often in guilt and wretchedness,—what, then, is this "ingenious plan of concealment," but a disgraceful trick and shameful fraud upon the People, too ignorant, or too helpless to prevent it?

Not on such ground as this, however ingenious the plan, can it be much longer maintained. When the eyes of the working classes are opened, and when they see the large amount of taxation which they are paying out of their own labor, and the large amount of unneces-

sary suffering thereby inflicted upon them, they will no longer consent; and then the Government will find out that, the most ingenious plan is, to consult the real welfare of the people.

To open the eyes of the People that they may clearly distinguish between good and evil,—may see their own good, and wisely seek it,—is the present object. To show them their true position, and that the true interests of all Governments and People are identical and inseparable; that no mixture of evil is ever necessary for any really good purpose; and those who act as if it were, are really doing evil that good may come, or, in other words, serving the devil, that God may serve them.

What folly for a man to do that now which he must certainly undo again by repentance, or be undone for ever! That is a dangerous cant, as Archbishop Whately says, nowadays heard so often:—"There is some truth in so and so." *Some* truth! yes:—the serpent had some truth in what he said: the forbidden tree *was* a tree of knowledge: and there was some truth in Eve's reflections. It was "pleasant to the eye," and desirable "to make one wise." Here was the love of the beautiful, and of knowledge, in the very first sin that was committed.

The first step to show the people their true position is, the simplification of the public accounts, that the people may understand them. Instead of mystifying, to confuse and deceive, it is the duty, as well as the policy, of every Government to simplify, for the purpose of making clear and intelligible to all.

Against the authority, before quoted, for mystification and deception, the following opinion of the late Sir Robert Peel may be quoted for those who are disposed to look back to his opinion as an authority on this subject.

In his speech, on moving the appointment of a Finance Committee, 15th February, 1828, he said:—"There

is one point on which I have always had a strong feeling. I allude to the advantage and necessity of a simplification of the public accounts. No man is more desirous than I am to see the public accounts presented in the simplest possible form. I see no reason why we should not in this respect follow the example set us by France, and the United States of America. I am quite certain that we should do well to profit by such examples, and I can see no disadvantage attending it."

And again:—"I am convinced that nothing can be more fruitless or impolitic than to introduce anything like mystification or suppression into a view of the public finances of the empire. These matters are, I take it, much more simple than they appear to be on the face of ordinary official statements of them. There is, in fact, not the slightest difference between the calculations formed upon many millions, and upon a few pounds, or between the expenditure of a humble individual, and that of a rich and powerful country. They depend upon the same principles, and must be governed by the same laws, and one might as well contend that the rules of arithmetic applying to the sums with which we ordinarily deal in the course of domestic occurrences—that those rules do not apply to the division or sub-division of many millions of money, as to suppose that the finances of a country, however great, or important, she may be, must not, after all, rest on the same principles, and be governed by the same rule, as the finances of an individual."

It is quite true that the speeches in Parliament of the late Sir Robert Peel may be referred to in support of almost any view of almost any question of State policy which ever came before him as a Statesman, and that his imperfect perception, or acknowledgment, of any fixed principle, renders him but an uncertain authority on any great question of State policy. This is true, and

will, undoubtedly, be more apparent when a greater distance of time shall have intervened. In the mean time he may be assumed to be, on the question of taxation, at least, an equal authority to the living authority before quoted; and, to those who think so, the following opinion expressed by Sir Robert Peel, in his place in the House of Commons, in his speech on the Income Tax, on the 23rd March, 1842, may appear worthy of notice. Speaking of all taxes, direct or indirect, as bearing more or less unequally on those who pay them, he said:—"All indirect taxation has a natural tendency to produce injustice, and I have ever thought that the chief argument relied on in opposition to the taxation of articles of consumption was, that if beer, or any such article, were exposed to it, *the tax always operated unjustly*."

And, in a former debate on taxation, on the 30th April, 1833, he said:—"Indirect taxation may be carried too far. It has limits beyond which it gives rise to smuggling, and defeats the object in view."

And, in this view, he seems to have been strengthened by experience, for, in making his financial statement to the House of Commons on the 11th March, 1842, he spoke as follows:—"If, then, it is necessary for me to have fresh taxation, shall I lay it upon articles of subsistence—upon those articles which may appear to some superfluities, but which are now become almost the necessaries of life? I cannot consent to increase the taxation upon articles of subsistence consumed by the great body of the laboring portion of the community. I do think that you have had conclusive proof that you have arrived at the limits of profitable taxation on articles of subsistence. I advise you not to increase taxation in this respect, for, if you do, most assuredly you will be defeated in your object."

If, then, this be a true and safe view,—and who can doubt it,—why should not the government and the

people cordially co-operate for that which most concerns the common interests of all, for the establishment of the wisest and best system of taxation which human ingenuity can devise,—not by stealthy and indirect, but,—by open and direct means?

And what is there in the Scheme proposed, which any party or class of the people can fairly complain of?

Here is no change proposed to the injury of any party, —no interference with vested rights,—no partial legislation for class interests,—and no innovation on the principles of the British Constitution; but simply a return to a law 170 years old,—(then only an ancient law restored)—passed in the reign of one of the greatest and wisest of our Kings, who, though a Foreigner, was the most patriotic Sovereign who ever guided the destinies of this nation, and to whom we are mainly indebted, under Providence, for all the most precious privileges which, as a Protestant People, we now possess.

What, then, is the change here proposed, and what is there, in principle or in detail, in this change, which any class of the people can reasonably fear, or fairly complain of?

The land, as already shown, is the foundation-stone of the State, on the security of which the safety and prosperity of all depends. As such, it is respected and preserved. All its just rights and privileges are proposed to be maintained on the sound basis of equal protection to all descriptions of property. But this supposes a distribution of State Taxes equally over all realised property. One and the same tax, and one only, is proposed to be levied on all realised property within the defined description, and this being a direct tax, easily levied, and collected at a comparatively trifling cost, will pass directly from the pockets of the People, into the Exchequer of the State, without any of those fearful diminutions from hosts of revenue officers, and those inseparable con-

sequences, fraud and negligence; and, still more important, without any of those injurious impediments to the trade and manufactures of the country which must attend upon the present system of Customs and Excise Duties. As already shown, the land would then bear only a just proportion of the State taxation, and that would be, in effect, less than it bears now. The local liabilities, which must necessarily fall on land, would remain the same, unless, as may be reasonably expected from the increased prosperity of the country, the present dead weight of the poor rate be greatly diminished, which would be so much relief in favor of the land.

In addition to all these great but appreciable gains, would be those still greater but inappreciable gains to the whole nation, in the escape from all the confusion and demoralising effects of the present system, to one of simplicity and clearness, which would "admit of no disguise or concealment, but would make every one fully sensible of the exact amount of his income taken by Government," and would thereby admit of those wholesome checks, which are the best securities for good government—for the real welfare and happiness of the people, and for the greatness and prosperity of the nation.

The produce of one Property tax, and of one Personal tax, with the revenue from the Crown Lands, would then constitute the whole Income of the Nation.

The expenditure of this Income by the Government, which is now, in theory, but not in practice, under the control of the people, would then be, both theoretically and practically, under their control; or, if not, it would then be their own fault.

It is in vain for the People to talk of Administrative Reform, until they have obtained this control, and the first step towards this is, a full and correct understanding of the actual state of the Public Accounts. This can

be obtained only by Accounts of Receipts and Payments, in an intelligible form, duly vouched, and audited.

This is only common prudence in the conduct of every private family, and, as Adam Smith said:—"What is prudence in the conduct of every private family, can scarce be folly in that of a great Kingdom." An exact knowledge of the revenue and expenditure of the nation cannot be less desirable to an honest and well-meaning Government, than to the People; and the greater the revenue and expenditure, the more important is this knowledge for guarding against unnecessary expenses.

As shrewdly remarked by Archbishop Whately, it is a curious circumstance and the reverse of what many would expect, that the expenses called for by a real, or *imagined*, necessity of those who have large incomes, are greater in proportion than those of persons with slenderer means; and that, consequently, a larger proportion of what are called the rich, are in embarrassed circumstances, than of the poorer. This is often overlooked, because the *absolute number* of those with large incomes is so much less that, of course, the absolute number of persons under pecuniary difficulties, in the poorer classes, must form a very great majority.

But if you look to the *proportions* it is quite the reverse. Take the number of persons of each amount of income, divided into classes, from £100 per annum, up to £100,000 per annum, and you will find the percentage of those who are under pecuniary difficulties *continually augmenting* as you go upwards. And when you come to Sovereign States, whose revenues are reckoned by millions, you will hardly find *one* that is not deeply involved in debt! So that it would appear that, the larger the income, the harder it is to live within it.

When men of great revenues live in splendour and

sensuality, they are apt to plead that this is *expected* of them, which may be, perhaps, sometimes true, in the sense that such conduct is anticipated as *probable;* not true, as implying that it is required, or approved. A person may fairly expect that another who has received kindnesses from him, should protect him in distress; yet, he may have reason to expect that he will not. "England expects every man to do his duty;" but it would be chimerical to expect a universal performance of duty.

What may be reasonably expected (in one sense of the word) must be precisely the practice of the majority; since it is the majority of instances that constitutes *probability.* What may be reasonably expected (in the other sense) is something much beyond the practice of the generality; as long, at least, as it shall be true that, "Narrow is the way that leadeth to life, and few there be that find it."

What, then, may be expected from Governments it is needless to say; but, as sure as the majority of instances constitutes probability, so surely may the people expect that, if they do not themselves understand and look after their own interests, they will be mismanaged, and the expenditure of public monies will not be always regulated by a due regard to public interests.

The argument of Coleridge, and others, often used,—as to the produce of those taxes the expenditure of which is amongst our own fellow-subjects, may, and does, mislead not a few. Powder and guns, and ships of war, cost a great deal, but this cost is a gain to the manufacturers of powder, guns, etc.

And thus, some people bring themselves to fancy that the country altogether does not sustain any loss at all. Of course, if a heavy expenditure be incurred in armaments, when necessary for the defence of our just rights, this is not to be accounted a waste, any more than the

cost of bolts and locks to keep out thieves. But the argument, as often used, does not at all look to any such necessity, but would equally hold good if the money had been expended in gun-powder to be expended in fireworks, or in paying soldiers for amusing us with sham-fights. For, in that case, also, the expenditure would have gone to *our own* people equally.

The fallacy consists in not perceiving that, though the labor of the gunpowder makers, soldiers, etc. is not unproductive to *them*, inasmuch as they are paid for it, it is unproductive to *us*, as it leaves no valuable results. If gunpowder be employed in blasting rocks, so as to open a rich vein of ore, or coal, or to make a useful road, the manufacturer gets his payment for it just the same as if it had been made into fireworks; but, then, the mine, or the road, will remain as an article of wealth to him who has so employed it. After having paid for the powder, he will be still richer than he was before; whereas, if he had employed it for fireworks, he would have been so much the poorer, since it would have left no results.

When, however, war expenditure does result in the conquest of some territory, and this territory brings in some tribute, or other profit, beyond the cost of conquering it, and keeping it in subjection,—which is not often the case,—then, it must be admitted,—waiving all considerations of justice and humanity,—that something has been gained. But the revenue thus wrested from a subjugated country, must evidently impoverish the one party, as much, at least, as it enriches the other.

On the other hand, the revenue, derived from other lands by Commerce, enriches *both* parties; since the exchange of a cargo of hardware, for instance, for a cargo of silks, implies that the one who parts with the silk, for the hardware, finds the latter the *more* valuable to him, and *vice versâ*. And thus, both *advance* in prosperity.

And thus, as Archbishop Whately observes,—from whose valuable writings many of the foregoing remarks are chiefly taken,—thus it may be regarded as a general rule, that States are not exempt from the influences of the same causes which, in the affairs of individuals, produce good, or bad, success. That the general tendency of each particular virtue and vice in individuals is, to produce corresponding worldly advantages, and disadvantages, is a doctrine which, in a speculative point of view, at least, few would be disposed to controvert. And though this general rule admits of such numerous exceptions that, a right-minded and considerate man would not venture, in the case of any individual, to infer that his success in life had precisely corresponded with his deserts; or, decidedly to promise, for example, prosperity to the honest, frugal, and industrious; and denounce certain ruin to the profligate; yet, he would not feel less convinced of the certainty of the general rule,—that such conduct will, for the most part, be attended with such consequences.

"Thus, though we are not to believe that regular *temporal* rewards and punishments are dispensed under the moral government of God to nations, yet, the general rule by which temperance and integrity and industry tend, in private life, to promote each man's health and reputation, and prosperity, is applicable to Nations also. Unprincipled aggression will, usually, provoke, sooner or later, a formidable retaliation; and, on the other hand, moderation and good faith have manifestly a general tendency to promote peace and internal prosperity."

The moral rule to be drawn from these remarks is, that it is one of the first duties of every people, to look to their ways, and to mind their own affairs.

Now, the first step to minding one's own affairs, is to understand them; and this should be the first object of

a free and intelligent people. By far the greatest part of the evils, in this and every other country, may be traced to bad legislation; a cause which never could have existed, or, at least, never would have been permitted to continue, if the people had better understood their own affairs. It is impossible to suppose that the sacrifice of vast wealth, on the part of a whole people, for the gain—and that, comparatively, a trifling gain—of a handful of monopolists, would have been submitted to, patiently, so often, and so long, as it has been, as a necessary effect of the system pursued, if that system had been better understood, and the effect seen. But the fact is, the gain has been *concentrated*, and the loss diffused. This would not have occurred so often as it has, were it not that this diffusion of the loss causes its existence—that is, its existence as a loss so increased—to be unperceived. If thirty millions of persons are each virtually taxed half-a-crown a year in the increased price of some article, through the prohibition of free trade, perhaps, not above a shilling of this goes to those who profit by the monopoly. But this thirty millions of shillings, amounting to £1,500,000 per annum, is divided, perhaps, among a few hundred persons, who clearly *perceive* whence their revenue is derived; and who, when such an income is at stake, will combine together, and use every effort and artifice, to keep up the monopoly. The losers, on the other hand, the people, not only have, each, much less at stake, but are, usually, ignorant that they do lose by this monopoly, else they would not readily submit to pay half-a-crown, or, even one shilling as a direct *pension* to a few hundred men who had no claim on them.

Such was the effect, but in a much more aggravated degree, of our system of Corn-laws, and other prohibitory, or restrictive laws on articles of food, or other daily necessaries; some of the worst of which are now repealed, but too many of which still remain.

Of these last are the Customs and Excise Laws, the effect of which is, as already shown, to take three shillings and a half-penny out of the pocket of every house-keeper in this kingdom, for the purpose of putting one Shilling into the Exchequer of the State; to say nothing of the loss clearly ascertainable, but, probably, much larger sum thereby prevented from coming fairly into the pocket of every house-keeper so wronged.

All these, and a multitude of other cases come under the general formula before stated;—the tendency to over-rate the amount of whatever is seen and known, as compared with what is unknown, or less known, unseen, and indefinite.

It is inconceivable that, if the people understood this, they would so patiently submit to it. The people feel sorely, but do not see, the heavy burden which they are bearing. This is the effect of the "*indirect* taxes, which have been the greatest favorites both of princes and subjects," and "for this reason, governments have generally had recourse to those that are indirect," because "this ingenious plan conceals the amount of taxation, and makes its payment appear in some measure voluntary" (!)

Governments must, indeed, have been at their wits' end when they resorted to taxes on the necessaries of life, in food and clothing,—on knowledge, in paper—(now happily abolished)—and on discoveries for the benefit of mankind, in Patents for inventions—when they stooped to pick the pockets of pedlars and pawnbrokers, attornies and auctioneers, special-pleaders and appraisers, conveyancers and cab-drivers, bankers and bagsmen, and some other helpless victims, of a few pounds a year in the form of fees for licences to trade, and to practise their callings! That these miserable shifty contrivances should ever have been resorted to is strange, but that these, and many more like them, should be continued in

these days of intellectual advancement is marvellous, and not a little discreditable to the present state of national intelligence.

But all these great and small impediments to progress may now be at once swept away, and the whole revenue of the State may be drawn directly from the simple source of all national wealth, and in a manner open and intelligible to all classes.

Suppose Free Trade in full operation. What then would be the wealth of Great Britain, the undisputed market of the World? What then might be, and most probably, would be, the prosperity of the People, and the greatness of the Nation?

It is for the People to answer these questions. It is for the People to accomplish these objects for themselves; and for this we may be sure,—for we shall then be acting in conformity with providential laws,—that all that is needful is, "steadfastness within, and immoveable resolve;"—a united will, with united action.

This has been the secret of success with all the mighty hunters of mankind from Nimrod to Napoleon; and if often applied with success to the objects of personal ambition, it is, surely, therefore not the less applicable when the objects are, the wealth of the Nation, and the prosperity of the People.

In reviewing the evidence, here brought together, of the results of our present advance to free trade, the following appear to be fair and just conclusions:—

1. That, every step towards Free Trade has been immediately followed by a large increase of revenue to the State, and rise in the rate of profits and wages, with corresponding increase of employment and comforts to all the working classes.

2. That to the removal of impediments is to be attributed the great and rapid growth of the foreign trade, and the present flourishing condition of the agriculture of the country.

3. That, but for the relief thus afforded, the burden of taxation, aggravated by the evils of Customs and Excise duties, which diminished the real value of wages, by rendering a large class of imported articles, more or less necessaries of daily life, scarce and dear, and still further aggravated by complicated and vexatious laws, which kept back industry and capital from profitable employment, must have reduced trade and agriculture, and consequently all classes of people in this country, to a state of unexampled depression and misery.

4. That, in a Country like Great Britain, of circumscribed area, with a manufacturing population and large external trade,—political liberty alone is not sufficient to preserve society from danger of retrogression; but that quite as vital to the general interests is a perfect freedom of trade and industry, and an equal adjustment of taxation.

5. That, all experience has proved that, by repealing Customs and Excise duties, and so framing legislation as to make available the immense resources at command, and to bring within reach of the great body of the population, not only the necessaries of daily life, but also other articles of comparative luxury and comfort, by reducing these to the lowest market price, the revenue will be placed upon a more firm and safe basis, and the number and amount of the taxes may be greatly diminished.

, all experience has proved that, extension of
nd a vast increase of demand, take place con-
vith a gradual diminution in the cost of im-
modities, with a range of prices so free from
d artificial fluctuations as to tend rapidly to
errupted only by such variations as arise wholly
antile or natural causes.

the events which have taken place since 1845,
confident expectation that, the adoption of

Free Trade, by foreign countries, is a simple [illegible] of time, the fact being that, every year which [illegible] by foreign countries to elapse, before they [illegible] same commercial level as Great Britain, will [illegible] years of a balance of trade in favor of this country.

8. That, the principle is invariably true [illegible] be relied on, that every reduction of duties [illegible] a larger quantity of the produce of foreign [illegible] must, at least, be paid for by commodities [illegible] profitable to this country to export, whatever [illegible] degree of folly or wisdom displayed in the [illegible] foreign countries to which they are sent.

It is, therefore, certain that the country [illegible] ties obtains the benefit of a larger trade, an[illegible] certain that, hostile high duties injure chief[illegible] and subjects of the State which impose [illegible] follows, as a necessary consequence, that [illegible] which imposes no duties gains the benefit [illegible] trade.

These principles were comprised in the [illegible] Petition from the Merchants of London [illegible] Mr. Thomas Tooke, and presented by [illegible] Baring, afterwards Lord Ashburton, [illegible] 1820, to the House of Commons.

In that Petition it was stated :—

"That the prevailing prejudices, [illegible] tective or restrictive system, may be [illegible] neous supposition that every importation [illegible] modities occasions a diminution, or [illegible] our own productions to the same [illegible] may be clearly shown that, although [illegible] scription of production which [illegible] unrestrained foreign competition [illegible] yet, as no importation could be [illegible] of time without a correspondi[illegible] indirect, there would be an [illegible]

pose of that exportation, of some other production to which our situation might be better suited; thus affording, at least, an equal, and, probably, a greater, and, certainly, a more beneficial employment to our own capital and labor.

"That, of the numerous protective and prohibitory duties of our commercial code, it may be proved that while all operate as a very heavy tax on the community at large, very few are of any ultimate benefit to the classes in whose favor they were originally instituted, and none to the extent of the loss occasioned by them to other classes."

And, with regard to the Customs Duties, the Petitioners made the following important admission:—

"As long as the necessity for the present amount of revenue subsists, your Petitioners cannot expect so important a branch of it as the Customs to be given up, nor to be materially diminished, *unless* some substitute, less objectionable, be suggested."

If the time and state of public opinion be considered, when this remarkable document was produced,—now more than forty years ago,—the close and accurate reasoning, and the forcible expression of the whole of this petition, will be the more striking; and it will, certainly, be recorded in history as the foundation stone on which Free Trade has been established, and on it will be found inscribed, in imperishable letters, the honored name of THOMAS TOOKE.

PART IV.

OBJECTIONS ANSWERED.

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INNOVATION.

To follow in the footsteps of our Ancestors is, with many, associated with a sort of religious feeling of duty; and any one who suggests that these are only leading us round in a circle, and thereby preventing any progress, is too often looked upon as an evil-disposed person, on whom some hard name is fixed, to designate him as belonging to a class dangerous to good order and decorum in society, and, therefore, to be avoided.

It is this self-wisdom of self-deceivers which has ever retarded the instinct of man's nature for progress and improvement; which sees innovation in change, and does not see that Time is the greatest innovator.

Lord Bacon wisely wrote in his day:—

"If time, of course, alters things for the worse, and wisdom and counsel shall not alter them to the better, what shall be the end? It is true, that what is settled by custom, though it be not good, yet, at least, it is fit; and those things which have long gone together are, as it were, confederate with themselves; whereas, new things piece not so well: but though they help by their utility,

yet they trouble by their unconformity; besides, they are like strangers, more admired, and less favored. All this is true, if time stood still; which, contrariwise, moveth so round, that a forward retention of custom is as turbulent a thing as an innovation; and they that reverence too much old times are but a scorn to the new.

It were good, therefore, that men in their innovations would follow the example of time itself which, indeed, innovateth greatly, but quietly, and by degrees scarcely to be perceived."

The truth is,—as observed by Archbishop Whately, in his comments on the text of Lord Bacon,—that, in all the serious and important affairs of life, men are attached to what they have been used to, and this holds good in all departments of life. New medicines, for instance, come into vogue, from time to time, with or without good reason; but a fundamentally new *system* of medicine, whether right or wrong, is sure to have the strongest prejudices enlisted against it. If, when the celebrated Harvey discovered the circulation of the blood, he had, on the ground that people often readily introduced some new medicine, calculated on a favorable reception, or even a fair hearing for his doctrine, which went to establish a fundamental revolution, he would soon have been undeceived by the vehement and general opposition with which he was encountered. And it was the physicians of the highest standing that most opposed Harvey. It was the experienced navigators that most opposed Columbus. It was those most conversant with the management of the Post Office that were the last to approve of the uniform penny-postage.

For, the greater any one's experience and skill in his own department, and the more he is entitled to the deference which is proverbially due to each man in his own province, the more likely, indeed, he will be to be a good judge of improvements in details, or even to introduce

them himself, but the more *un*likely to give a fair hearing to any *radical* change. An experienced stage-coachman is likely to be a good judge of all that relates to turnpike-roads, and coach-horses; but you should not consult him about rail-roads, and steam-carriages. Again, every one knows how slowly and with what difficulty farmers are prevailed on to adopt any new system of husbandry, even where the faults of an old established usage, and the advantage of a change can be made evident to the senses.

An anecdote is told, by Archbishop Whately, of a gentleman who, in riding through the deep and shady Devonshire Lanes, became entangled in the intricacies of their numberless windings, and not being able to obtain a sufficiently wide view of the country to know whereabouts he was, trotted briskly on in the confident hope that he should at length come to some house whose inhabitant would direct him, or to some more open spot from which he could take a survey of the different roads, and observe whither they led. After proceeding a long time in this manner, he was surprised to find a perfect uniformity in the country through which he passed, and to meet with no human being, or come in sight of any habitation. He was, however, encouraged by observing, as he advanced, the prints of horses' feet, which indicated that he was in no unfrequented track; these became, continually, more and more numerous the further he went, so as to afford him a still increasing assurance of his being in the immediate neighbourhood of some great road, or populous village; and he accordingly paid less anxious attention to the bearings of the country, from being confident that he was in the right way. But still he saw neither house, nor human creature, and, at length, the recurrence of the same objects by the road-side opened his eyes to the fact, that, all this time, misled by the multitude of turnings, he had been riding in a circle,

and that the foot-marks, the sight of which had so cheered him, were *those of his own horse,* their number, of course, increasing with every circuit he took. Had he not fortunately made this discovery, perhaps he might have been riding there now.

The truth of this tale does not make it the less useful by way of apologue; and the moral we would deduce from it is, that in many parts of the conduct of life, and, not least in government and legislation, men are liable to *follow the track of their own footsteps*—to set themselves an example—and to flatter themselves that they are going right, from their conformity to their own precedent.

It is commonly and truly said, when any *new and untried* measure is proposed, that we cannot fully estimate the inconveniences it may lead to in practice; but we are convinced this is even still more the case with any system which has *long been in operation.* The evils to which it may contribute, and the obstacles it may present to the attainment of any good, are partly overlooked, or lightly regarded, on account of their familiarity, partly attributed to such other causes as perhaps really do co-operate in producing the same effects, and ranked along with the unavoidable alloys of human happiness,—the inconveniences from which no human policy can entirely exempt us.

In some remote and unimproved districts, if you complain of the streets of a town being dirty and dark, as those of London were for many ages, the inhabitants tell you that the nights are cloudy and the weather rainy; as for their streets, they are just *such as they have long been;* and the expedient of paving and lighting has occurred to nobody. The ancient Romans had, probably, no idea that a civilized community could exist without slaves. That the same work can be done much better and cheaper by freemen, and that their odious system

contained the seeds of the destruction of their empire, were truths which, familiarised as they were to the then existing state of society, they were not likely to suspect. "If you allow of no plundering," said an astonished Mahratta chief to some English officers, "how is it possible for you to maintain such fine armies as you bring into the field?" He and his ancestors, time out of mind, had, doubtless, been *following their own footsteps* in the established routine; and had accordingly never dreamed that pillage is inexpedient as a source of revenue, or even one that can possibly be dispensed with. *Recent* experiment, indeed, may bring to light, and often exaggerate, the defects of a new system, but *long familiarity* blinds us to those very defects.

The practical consequence of this attachment of men to what they have *long* been used to is, that it is a good point gained, when there does exist need for a change, even though little or nothing of improvement, because we may look forward with cheering hope to *a remedy of the remedy*—a removal of the newly introduced evils, as a change far more easily to be brought about, than the first change. Alterations in any building are easily made *while the mortar is wet.* So it is in legislation, and in all human affairs. While the most inconvenient and absurd laws are suffered to remain unchanged for successive generations, hardly an Act is passed that any defects in it are not met by "Acts to amend" it in the next and succeeding Sessions.

To avoid the two opposite evils noticed by Lord Bacon, —the liability to sudden and violent changes, and the adherence to established usage, when inconvenient or mischievous,—to give the requisite stability to governments and other institutions, without shutting the door against improvement,—this is a problem which both ancient and modern legislators have not well succeeded in solving. Some, like the ancient Medes and Persians,

and like Lycurgus, have attempted to prohibit all change; but those who constantly appeal to the wisdom of their ancestors, as a sufficient reason for perpetuating anything these have established, forget two things: first, that they cannot hope for ever to persuade all successive generations of men that there was once one generation of such infallible wisdom as to be entitled to control all their descendants for ever: which is to make the earth, in fact, the possession not of the living, but of the dead: and, secondly, that even supposing our ancestors gifted with such infallibility, many cases must arise in which it may be reasonably doubted whether they themselves would not have advocated, if living, changes called for by altered circumstances.

An antiquated form, however perverted from its original purpose, gratifies the lazy in their love of ease; it averts the mortification of confessing error, which is always so abhorrent to the self-satisfied stupidity of those who grow old without gaining experience.

It is to be observed, however, that in almost every department of life, the evil that has very long existed will often be less clearly perceived, and less complained of, than in proportion to the actual extent of the evil.

If you look to any department of government, or to any parish or diocese that has long been left to the management of apathetic or inefficient persons, you will find that there are few or no complaints. Because complaints which have long since been found vain, will have long since ceased to be made; there will be no great arrears of business undone, and of applications unanswered, because business will not have been brought before those who, it is known, will not transact it; nor applications made, to which no answer can be hoped for; abuses and defects and evils of various kinds, which ought to have been remedied, men will have learned to submit to, as to visitations of Providence, having been left without

redress till, at length, they have forgotten that any redress is due, or is possible. And this stagnation will come to be regarded as the natural state of things.

But it is far from being sufficient, as seems to be the notion of some persons, to show that the present is not the *fittest conceivable* occasion for taking a certain step.

Besides this, it is requisite to show, not merely that a better occasion may be *imagined*, or that a better occasion is *past*, but that a more suitable occasion is likely to arise *hereafter*, and how soon; and also that the mischief, which may be *going on during the interval*, will be more than compensated by the superior suitableness of that future occasion; in short, that it will have been worth waiting for.

And, in addition to all this, it is requisite to show also the probability that when this golden opportunity shall arise, men will be more *disposed to take advantage* of it, than they have heretofore appeared to be;—that they will not again fall into apathetic security, and fondness for indefinite procrastination.

This last point is as needful to be established as any; for it is remarkable that, those who deprecate taking any step *just now*, in these times of extraordinary excitement, did not, on those former occasions, come forward to propose taking any advantage of a comparatively calmer state of things. They neither made any call, nor responded to the call made by others.

And, indeed, all experience seems to show,—comparing the apathy on the subject which was so general at those periods, with the altered state of feeling now existing,—that a great and pressing emergency, and *nothing else*, will induce men to take any *decided* step; and that a period of discussion and perplexing difficulty is, though not *in itself*, the most suitable occasion for such a step, yet, constituted as human nature is, the best,

because the *only*, occasion on which one can hope that it will be taken.

Still, however, we must expect to be told by many that, sooner or later matters will come right, spontaneously, if left untouched; that, *in time*, though we cannot tell how soon, a period of extraordinary excitement is sure to be succeeded by one of comparative calm.

In the meantime, it is forgotten at *what cost* such spontaneous restoration of tranquillity is usually purchased—how much the fire will have consumed before it shall have burnt out of itself.

The case is very similar to what takes place in the natural body; the anguish of acute inflammation, when left to itself, is succeeded by the calm of a mortification; a limb is amputated, or drops off, and the body, but no longer the whole body, is restored to a temporary ease, at the expense of a mutilation.

It is true that, whatever is established, and already existing, has a presumption on its side, that is, the burden of proof lies on those who propose a change.

No one is called on to bring reasons *against* any alterations, till some reasons have been offered *for* it. But the deference which is thus claimed for old laws and institutions is sometimes extended to what are called, "the good old times," as if the world had formerly been older, instead of younger, than it is now. But it is manifest that, the advantage proposed by *old* men, that of long experience, must belong to the present age more than to any preceding.

Is there not then some reason for the ridicule which Lord Bacon speaks of, as attaching to those "who too much reverence old times"? To say that no changes shall take place, is to talk idly. We might as well pretend to control the motion of the earth. To resolve that none shall take place *except* what are undesigned

and accidental, is to resolve that, though a clock may gain or lose indefinitely, at least we will take care that it shall never be regulated. "If time" (to use again Bacon's warning words) "alters things to the worse, and wisdom and counsel shall not alter them to the better, what shall be the end?"

It is to be observed that hurtful changes are often attributed to harmless ones; and apprehensions are entertained that a *change*, however small, is necessarily a dangerous thing, as tending to *produce* extensive and hurtful innovations. Many instances may be found of small alterations being *followed* by great and mischievous ones; but it is doubtful whether all history can furnish an instance of the greater innovation having been, properly speaking, *caused* by the lesser. Of course, the first change will always *precede* the second, and many mischievous innovations *have* taken place; but these may often be explained by the too long postponement of the requisite changes,—by the neglect of the homely old proverb,—"*A tile in time saves nine.*" A house may stand for ages, if some very small repairs and alterations are promptly made from time to time as they are needed; whereas, if decay be suffered to go on unheeded, it may become necessary to pull down and rebuild the whole house. The longer any needful reform is delayed, the greater and the more difficult, and the more sudden and the more dangerous, and unsettling, it will be. And then, perhaps, those who had caused this delay, by their pertinacious resistance to any change at all, will point to these evils—evils brought on by themselves—in justification of their conduct. If they would have allowed a few broken slates on the roof to be at once replaced by new ones, the timbers would not have rotted, nor the walls in consequence leaned, nor would the house have then needed to be demolished and rebuilt.

Most wise, therefore, is the admonition of Lord Bacon,

to copy the great innovator, Time, by vigilantly watching for, and promptly counteracting, the first small insidious approaches of decay, and introducing gradually, from time to time, such small improvements (individually small, but collectively great) as there may be room for, and which will prevent the necessity of violent and sweeping reformations.

As that excellent, learned, and far-sighted man, Dr. Arnold, said:—"There is nothing so revolutionary, because there is nothing so unnatural, and so convulsive to society, as the strain to keep things fixed, when all the world is, by the very law of its creation, in eternal progress; and the cause of all the evils in the world may be traced to that natural, but most deadly, error of human indolence and corruption, that our business is to preserve, and not to improve. It is the ruin of us all alike, individuals, schools, and nations. . . . One would think that people who talk against change were literally, as well as metaphorically, blind, and did not see that everything in themselves, and around them, is changing every hour by the necessary laws of its being."

There are some remarks of an admirable writer of the present day, Sir Francis B. Head, in one of his "Descriptive Essays," so applicable to this subject, that the following is given in his own impressive words:—

"There is, we humbly think, something impressively appalling in the reflection that everything in creation has been immutably fixed, by a strict entail, save and except the march, progressive, or retrograde, of human reason.

The velocity of lightning, the sound of thunder, the power of the wind, which still goeth where it listeth, do not increase. The heat of the sun, the blueness of the sky, the freshness of the mountain air, the solemn grandeur of the trackless ocean, remain unaltered. The nest of the bird improves no more than its plumage,—the habitation of the beaver no more than its fur,—the in-

dustry of the bee no more than its honey,—and, lovely as is the melody of the English lark, yet the unchanged accents of its morning hymn daily proclaim to us from the firmament of heaven that, in the conjugation of the Works of Nature, there are no distinctions of tenses, for that what is, what was, and what will be, are the same.

But it is not so with human reason. Man alone has the power to amass and bequeath to his posterity, whatever knowledge he acquires, and thus our condition on earth may be improved *ad infinitum* by the labor, intelligence, and discoveries of those who have preceded us."—

Nature, therefore, points out to us, by this exception, that man is intended for change, and for improvement by change.

It is a common answer to any proposed change for the moral or physical improvement of the condition of a people, that they are not yet sufficiently prepared for it; as if any preparation were required for improving the spiritual or temporal welfare of a people.

If there be any one truth which the deductions of reason alone, independently of history, would lead us to anticipate, and which again history alone would establish, independently of antecedent reasoning, it is this: that a whole class of men, placed permanently under the ascendancy of another as subjects, without the rigths and privileges of citizens, must be a source, at the best, of weakness, and generally of danger to the State. They cannot well be expected, and have rarely been found, to evince much hearty patriotic feeling towards a community in which their neighbors look down on them as an inferior, and permanently degraded species. While kept in brutish ignorance, poverty, and weakness, they are likely to feel—like the ass in the fable—indifferent whose pannier they bear. If they increase in power, wealth, and mental development, they are likely to be ever on

the watch for an opportunity of shaking off a degrading yoke. Even a complete general despotism, weighing down all classes without exception, is, in general, far more readily borne than invidious distinctions, drawn between a favored, and a depressed, race of subjects; for men feel an *insult* more than a *mischief* done to them, and feel no insult so much as one daily and hourly inflicted by their immediate neighbours.

But, besides the other causes which have always operated to perpetuate, in spite of experience, an unjust and impolitic system, the difficulty of *changing* it, when once established, is one of the greatest. The false step is one which it is peculiarly difficult to retrace. Men long debarred from civil rights, almost always become ill fitted to enjoy them. The brutalizing effects of oppression, which cannot immediately be done away by its removal, at once furnish a pretext for justifying it, and make relief hazardous. Kind and liberal treatment, if cautiously and judiciously bestowed, will *gradually* and slowly advance men towards the condition of being worthy of such treatment; but treat men as aliens, or enemies, as slaves, as children, or as brutes, and they will *speedily* and *completely* justify your conduct.

The undiscriminating advocates of delay, who are always saying that, "The People are not yet *ripe* for such a change,"—usually forget to inquire,—"Are they ripening? When, and how, are they likely to become ripe?" or,—"Are men's minds to ripen like winter pears, merely by laying them by, and letting them alone?"

Time, as Bishop Copleston has remarked, "is no agent." When we speak of such and such changes being brought about *by* time, we mean *in* time,—by the gradual and imperceptible operation of some gentle agency. We should observe, therefore, whether there be any such agency at work, and in what direction,—whether to render a certain change more difficult, or

easier. If you be surrounded by the waters, and want to escape, you should observe whether the tide be flowing, or ebbing. In the one case, you should at once attempt the ford at all hazards; in the other you have to wait patiently. And if the waters be still, and neither rising nor falling, then you should consider that though there be no danger of drowning, you must remain insulated for ever, unless you cross the ford, and that, if this be to be done at all, it may be as well done at once.

The case of Slavery in the United States is one of a rising tide. The rapid multiplication of Slaves, which has already rendered their emancipation a difficult and hazardous step, makes it more so every year, and in-increases the danger of a servile war, such as that of Saint Domingo.

The Serfdom of the Russians, (or what still remains of it), is, perhaps, rather a case of still water. There seems no great reason to expect that the state of things will grow either worse or better spontaneously.

In each of these cases, the slaves, and the serfs, are not ripe for freedom. No *enslaved people ever are;* and to wait, before you bestow liberty or political rights, till the recipients are fit to employ them aright, is to resolve not to go into the water till you can swim. You *must* make up your mind to encounter many very considerable evils at first, and for some time, while men are learning to use the advantages conferred on them.

The truth is, in all these cases, in the selfish wisdom of persons entrusted with power, sacrificing the interests of others to their own. But, probably, the greatest amount of evils of this class, that is,—the sacrifice of public good to individual profit,—has arisen from the favor claimed by and shown to certain classes of men, in no official situation, who have persuaded the nation (and, doubtless, sometimes themselves also) that their own interest was that of the State. Both the Spaniards,

and the English, prohibited their Colonies from trading with any but the Mother Country, and also from manufacturing for themselves, though the Colonists were fellow-citizens, and were virtually taxed for the profit, not of the State, but of certain manufacturers and merchants. For, if they had found the goods, produced in the mother country, to be cheaper and better than they could make them for themselves, or buy elsewhere, they would have supplied themselves with these of *their own accord*, without need of prohibitory laws; but whenever this was not the case, that is,—whenever there was *any occasion for* such a law,—it is plain they were paying an *extra* price, or buying inferior articles for the profit of the manufacturer at home. Yet this never seemed to strike even the Americans themselves, or their advocates, at the time when the revolt broke out. It was only avowed taxation for the benefit of the *Government* at home (which had laid out something for them), that they complained of.

And this did not arise from comparative indifference to the welfare of our Colonial fellow-subjects, for the like sort of policy has been long pursued at home. We imported timber of inferior quality from Canada, when better timber was to be had at a tenth part of the distance, lest saw mills in Canada, and timber-ships engaged in that trade, should suffer a diminution of profit, though the total value of them all put together did not, probably, equal the *annual* loss sustained by the public.

And we prohibited the refining of sugar, in the sugar colonies, and chose to import it in the most bulky and most perishable form, for the benefit of a few English sugar-bakers, whose total profits did not, probably, amount to as many shillings as the nation lost pounds.

And the land-owners maintained, till lately, a monopoly against the bread-consumers which amounted, virtually, to a tax on every loaf, for the sake of keeping up

rents. Other selfishness may be as intense, but none is so unblushing, because none so much tolerated, as that of a monopolist claiming a *vested interest* in a public injury.

But, doubtless, many of these claimants persuaded *themselves*, as well as the nation, that they were promoting the *public* good.

All these evils have been got rid of only by change. But most men have no desire for change, *as* change, in what concerns the serious business of life. True it is that, great and sudden and violent changes do take place, —that ancient institutions have been recklessly overthrown,—that sanguinary revolutions have taken place in quick succession, and that new schemes, often the most wild and extravagant, both in civil and religious matters, have been again and again introduced. We need not seek far to find countries that have had, within the memory of persons now living, not less than nine or ten perfectly distinct systems of government. But no changes of this kind ever originate in the mere love of change, for its own sake. Never do men adopt a new form of government, or a new system of religion, merely from that delight in variety which leads them to seek new amusements, or to alter the fashion of their dress. They seek changes in what relates to serious matters of fundamental importance, only through the pressure of severe suffering, or of some vehement want, or, at least, from the perception of some great evil, or deficiency. Widely as the vulgar are often mistaken as to the *causes* of any distress, or as to the *remedies* to be sought, the distress itself is real when they aim at any great revolution. If an infant beat its nurse, although its acts be as irrational as those of a mad dog, you may be assured that the infant is really in pain. And when men are willing to work, but starving for want of it, though it be absurd for them to seek to obtain relief by establishing a new

kind of Senate, or Parliament, or by setting up a dictator, or by slaughtering all people of property, still the evil itself is real, and is keenly felt; and it is *that*, and not a mere love of change, for change sake, that drives them to take the most irrational steps. And when evils are really occasioned by absurd and oppressive laws, it is right and rational to aim at a change, though the changes, which an infuriated populace does bring about, will usually be both irrational and wrong,—will overthrow the good along with the evil,—and will be pregnant with worse evils than they seek to remedy.

The ancient despotism of France, detestable as it was, perhaps, did not cause more misery in a century, than the Reign of Terror did in a year. And, universally, the longer and the more grievously any people have been oppressed, the more violent and extravagant will be the reaction.

Hence, though it be true that, innovations in important matters are never sought through mere love of change, for its own sake, but for relief from some evil, the danger is not less of rash and ill-advised innovations, because evils, greater or less, and more or less of imperfection, always do exist in all human institutions administered by fallible men.

But it should be remembered that, though pure Conservatism is a folly, and though it be true that, men do not covet innovation, as such, with equal blindness, still there is as much folly, and as much danger, in a blindly reformatory principle. For, though men do not seek a change, except when they perceive some evil, inconvenience, or imperfection, the thorough-going reformer always *will* find some—not unreal—ground of complaint in the working of every institution. If the house is to be pulled down, and rebuilt, till we have got one that is perfect, and, moreover, that everyone will think such, we shall be as constantly in brick and mortar as if we did delight in pulling down for its own sake.

And we should remember also that, custom will often blind one to the good, as well as to the evil, effects of any long-established system. The *preventive* effects, indeed, whether good, or evil, of any long established system, are hardly ever duly appreciated. But though no law, or system, whether actually existing, or proposed, can be expected to be unexceptionable, or should have its defects pointed out without any notice of corresponding advantages, it is most important to *examine* every measure, whether new, or old, and to try it on its intrinsic merits, always guarding against the tendency to acquiesce, without inquiry, in the necessity of any existing practice. In short, we should, on the one hand, not venture rashly on untrodden paths, without a careful survey of the country; and, on the other hand, be on our guard against following, in confident security, *the track of our own footsteps.*

Lord Bacon's maxim, therefore, is most wise, to "make a stand upon the *ancient* way, and look about us to discover what is the *best* way;" or, in the language of Scripture, from which this is taken;—"*Stand ye in the ways, and see, and ask for the old paths, where is the good way, and walk therein;*" neither changing at once anything that is established, merely because of some evils actually existing, without considering whether we can substitute something that is on the whole better; nor, again, steadily rejecting every plan, or system, that can be proposed, till one can be found that is open to no objection at all. For nothing framed or devised by the wit of man ever was, or can be, perfect; and, therefore, to condemn and reject everything that is imperfect, and has some evil attending on it, is a folly which may lead equally —and, indeed, often has led—to each of two opposite absurdities,—either an obstinate adherence to what is established, however bad, because nothing absolutely unexceptionable can be substituted; or, again, a perpetual

succession of revolutions till we can establish—which is totally impossible—some system completely faultless, or so framed as to *keep* itself in good order. To conceive such a system, whether actually existing, or ideal, is to be beset by the same chimerical hope in human affairs that has misled so many speculators in mechanics,—the vain expectation of attaining the *perpetual motion.*

Many of the foregoing are the admirable remarks of Archbishop Whately on the wise text of that great philosopher, Lord Bacon, and, to such teachers as these, who combine the wisdom of past ages with the learning and experience of the present age, the people of these days may well look for instruction, and safely follow in the way to which they point.

And, now, to apply the wisdom of the past ages, to our own experience in the present age,—to "make a stand upon the *ancient* way, and look about us to discover what is the *best* way" to effect such a change in a long-established usage as shall secure an improved state and condition, without pulling down and overthrowing or endangering, the foundation of that structure which has been so long building, and which, though yet far from perfect, has so long stood and flourished,—in short, —to show how the productive laborers may enjoy a greater and fairer share in the fruits of their labor than they have hitherto enjoyed, and how this act of justice is consistent with the welfare of all people, and the only sure basis for the prosperity and greatness of all nations.

Let us now examine into the ground of the objection that the proposed Property Tax would be an *innovation.*

It is easy to show that it would be no innovation, but a restoration: the restoration of the Land Tax Act, passed in the 4th year of the reign of William and Mary, (1692), 170 years ago,—confirmed and made perpetual by the Act 38 George the Third, c. 60, subject to re-

demption, and by several subsequent Acts, in the same reign, again and again recognised and confirmed.

THE LAND TAX ACTS.

The Act of William and Mary directed an Assessment of 4*s*. in the pound upon all real Estate assessed on the *bonâ fide* rack rent, and in offices, (except naval and military) and on personal estate 24*s*. per £100, or 4*s*. in the pound on £6, the then legal rate of interest; stock on land, and household property being exempt.

Why that equal and just law has not been carried out in its spirit, it is now useless to inquire; but to carry it out now, 170 years after it was made, and to adapt it, in spirit and intention, to the present times, in one uniform tax of 2*s*. in the pound on all realized property, can be no innovation.

The restoration of such a Property Tax, and the abolition of all other taxes, *which are innovations*, and which would then no longer be required, are the only changes proposed, as regards property.

The more carefully this proposition is examined in all its details, and in all its workings, the more clearly it will be seen to be founded on the sound and equitable principle of making every one contribute to the necessities of the State,—not in proportion to his means, but—consistently with his own interests, and the true interests of the State; and that the effect will be, to impose no undue portion of the burden to be borne on any particular description of property, or class of persons, but to spread the whole equally over all, in a manner most conducive to the interests of all, by leaving perfectly free the labour and skill, the manufactures, trade, and commerce of the country, and the People themselves, to increase and multiply, according to the design of creation, —to replenish the earth, and subdue it; and, at the

same time, to enjoy the fruits thereof, which shall then be to them as meat.

There is a remarkable coincidence between the letter and spirit of this proposed Property Tax, and the Property Tax, called the Land Tax, as intended by the Act of William and Mary, which, though confirmed and made perpetual by subsequent Acts, has been made a perpetual blot upon the Statute Book, by preserving the letter, but sacrificing the spirit, and just intention of the original Act.

By that Act a full and fair valuation was directed to made of all the property of the kingdom subject to the tax; and the King's Remembrancer in the Exchequer was required by the Act (sect. 9) to ingross in a book, made of parchment, the several sums returned to him as assessed upon every county, riding, city, and town, and place therein; which returns the Commissioners appointed for putting the Act into execution, were therein directed to make.

It is proposed that similar directions should now be given, and like arrangements made for a like purpose, namely,—an Assessment of 2*s.* (instead of 4*s.*) in the pound, on all Real Estate assessed on the *bonâ fide* rack-rent, or annual value; and on all Personal Estate, coming within the description of *realised* property, at the same rate; and that a new valuation should be made every third, or fifth year.

Unfortunately for the country, the pound-rate, the principle of the original Act, was departed from. Five Acts followed, imposing a certain pound-rate upon the same description of property; but, in the subsequent year, owing to the sum raised by this mode of assessment showing an annual decrease, it was deemed expedient that a specified sum should thenceforth be levied, which sum was fixed at £1,484,015. 1*s.* 11¾*d.*, by the Act 9th and 10th William III. c. 10.

By reason of some difficulties which thereupon arose

in apportioning the quota to be paid by certain districts, the Act of the following year, the 10th and 11th William III. c. 9, which granted a like sum of £1,484,015. 1*s*. 11¾*d*., directed that the portion of tax which each district was found to have borne under the assessment made pursuant to the Act 4th William and Mary, c. 1, should determine the ratio in which it was to contribute towards making up the quotas the Act imposed upon the several counties, cities, and hundreds, as therein expressed.

From the passing of that Act, to the year 1798, the Land Tax was voted annually, and the Act under which the grant was thus yearly levied, fixed the amount to be rated for the particular year, and named the pound-rate at which the same should be assessed. The rates during this period ranged from 4*s*. in the pound, which was the highest rate named, to 1*s*. in the pound, the lowest rate named. In the year 1798 the usual Act was passed for granting the Land Tax for the service of that year. This Act, the 38th George III. c. 5,—directed the sum of £1,989,673 to be raised in England and Wales, and fixed the contingent for Scotland at £47,954, which sum was the amount paid by that country since the Union.

In accordance with the established practice, the Act mentioned the quotas to be set upon Counties, and certain divisions, towards raising the amount to be paid in England and Wales, and required that such quotas should be still levied within the several divisions, and sub-divisions, in proportion to the sums respectively assessed thereon, by the Act 4th William & Mary. The quota for Scotland was also to be raised according to the proportions specially named in the Act.

Before this time, however, the principle of assessment, observed under the first Land Tax Acts, had been widely departed from. Personal Estate, which it was evidently intended should contribute the larger share of

the annual quota granted, had been gradually relieved from Assessment, and to such an extent that, in 1798, the proportion of the quota borne by pensions, offices, and personal estate, together amounted to only £150,000; whilst lands, tenements, and other property, contributed the remainder.

In the month of June, 1798, Mr. Pitt produced his scheme for the redemption of the Land Tax, which was brought into operation by the Act, 38th George III. c. 60. The object of this measure was to diminish the pressure of the public debt in the market, by causing the absorption of a large amount of stock. In order to carry out the plan, the Land Tax, which by the assessment of the current year was charged upon the several counties, ridings, stewarties, cities, boroughs, cinque-ports, towns, and places in Great Britain, in respect of lands tenements and hereditaments, was made perpetual upon such counties, ridings, etc., subject to redemption; and the quotas, thus rendered a fixed charge, have been therein levied, (*minus* the redeemed portion thereof), from the passing of such Act, to the present time.

From the 4th year of the reign of William & Mary, (1692,) the duties raised in England, under the head of Land Tax, were levied at rates varying from 1*s*. to 4*s*. in the pound, according to the exigencies of the times, by Acts annually passed for such purpose, down to the year 1798, when so much of the quota of Land Tax, granted by the Act of that year, the 38th George III. c. 5, as
ssessed upon lands tenements and hereditaments,
made perpetual by the 38 George III. c. 60,
ct to redemption, which latter Act continued the
s and provisions of the 38 George III. c. 5, for
ing and levying the unredeemed portion of the
These powers and provisions were also continued
43rd George III. c. 116, which repealed the 38th
e III. c. 60, and were confirmed by the 53rd

George III. c. 142; but they have since been modified in some respects, and extended in others, by subsequent Acts passed for the more effectual assessment and collection of the tax.

The substance of the existing enactments, in the order in which they are brought into operation for the due raising of this tax, being concisely set out in the former editions of "The People's Blue Book," it is not necessary to repeat the same here.

Thus, it appears, that the Land Tax is now assessed on a valuation of estates made in the year 1692, when certain payments, or quotas, were apportioned to each county, or hundred, or other division; and that, for upwards of a century, the tax was payable under Annual Acts, and varied in amount from one shilling in the pound, to four shillings, at which latter sum it was made perpetual by the 38th George III. c. 60, subject, however, to redemption by the land-owners on certain conditions. But no new valuation of the land has been made, and the proportion charged to each district has been continued the same as it was in the time of William III. as regulated by the Act of 1692. That assessment is said not to have been accurate, even at that time; and, of course, improved cultivation, and the extended markets for agricultural produce, raised up by the application of industry, inventions, and capital, to manufactures and commerce, during the last 150 years, have completely changed the relative value of different portions of the soil.

The difference is caused by the accumulation of productive capital and fixed property in one district over another; partly, also, by the discovery and application of minerals, unknown in 1692. The chief increase, however, is caused by the difference between the order of persons who live on rent, and eat up the wealth it represents without residue, leaving the smallest possible

profit to the producers of rent; and the order of persons engaged in manufactures and commerce, who live more moderately in relation to income, and add what their moderation spares to productive capital, again doing the same, and again and again, to be succeeded by others, augmenting the productive capital in like manner. At last, the increase elevates the rent per acre of their county, until the land tax valuation of 1693 stands at ½*d.* per pound for manufacturing Lancashire, and one-ninth of a farthing for commercial Liverpool.

In the discussions which took place in 1798, when Mr. Pitt introduced his bill, which passed into a law, for the redemption of the Land Tax at twenty years' purchase, two leading facts, with which the Public have now to deal, were prominently put forward.

The first was, *that the valuation of property*, for land-tax, was the same in 1798, as it had been in 1695.

The second was, *that the Act for the Redemption of that land-tax* (4*s.* in the pound on the valuation of 1695) *did not preclude that, or any future parliament, from imposing another land-tax, or augmentation, or a re-assessment of the present;* so that the redemption of the land-tax, under the provisions of 1798, does not preclude, by any compact avowed or implied, the Legislature of the present day, or any future time, from re-assessing the rental of land at 4*s.* of present value, or at any other rate, if it should be the will of the nation that [illegible]ld be done; at the same time Mr. Pitt com-

House of Commons of that day with the as-
at Parliament was not likely to propose a re-

that, he proposed, by this measure, to reduce
f the public debt as should leave an income of
0 applicable to the public service. The pecu-
ntages arising from this measure must be ob-
this statement, because the public would dis-

pose of £2,000,000, for which they would clear off the public debt to such an amount that the interest would produce a sum of £2,400,000, leaving upon the whole a clear gain to the public of £400,000. He proposed to sell the Land Tax at twenty years' purchase!

By a Return to the House of Commons, dated 12th July, 1844, the total of Land Tax, in England and Wales, was shown to be,—£1,858,924. 6*s*. 1¼*d*., of which £724,463. 19*s*. 2¾*d*. was redeemed, and £1,134,460. 6*s*. 10½*d*. was unredeemed.

The impropriety, and impolicy, if not dishonesty, of selling the Land Tax, is hardly now worth considering. But the sale of the Land Tax for a given sum, at any time, must be a fraud upon posterity. Suppose it to be redeemed by the land-owner by purchase of twenty years, the price of redemption is either at once spent by Government, or it is not. If spent, it is a financial fraud, as the amount of the tax, for the future, is levied on something else,—most probably on some process of industry, or operation of commerce, to its obstruction, and the diminution of its capital.

If the redemption money be not at once dissipated, the sale of the Land Tax is not less a financial blunder, if not a fraud. If land worth £100 a year be sold by its private owner at twenty years' purchase, he receives £2000. If he dissipate this sum in the first year, or in any period of years, he must supply his wants elsewhere, or starve. Nobody will grant him, and the generations of his family after him, through all posterity, £100 a year, or £2000 every twenty years.

But if the State sell £100 a year of Land Tax for £2000, and dissipate that sum in one year, its future wants must be supplied elsewhere, no matter where the burden falls.

But, even were the land-tax exchanged for what is an equivalent at the period of exchange, say, £100 a year

of land-tax, to pay off £2000 principal of national debt (which was never due), the financial blunder is the same in principle, though it might be less in degree. The weight of the public debt diminishes, *first*, positively, by alteration in the value of money; and, *second*, relatively by increase of population, and tax-bearing property. Whereas, rent, or tithe (land-tax being analogous to rent and tithe, except in the improper adherence to the fixed valuation of 1695), increases, not only as other property and population increase, but in a ratio considerably greater. Let it be affected by the same influences as rent and tithe, as, doubtless, the public will soon insist on its being; to the influence of competition for space to cultivate, to build; to the influence of expanding capital, population, and industry in manufactures and commerce, and it also will expand. To sell the right to this source of revenue for the improvident mess of pottage, called, Redemption of the Land Tax, is a folly which finds no adequate expression in political phraseology; it is a breach of trust, and very like embezzlement and fraud:—breach of public trust, for the benefit of private

embezzlement of public funds to serve imme-
al ends; fraud upon the public finances by
ve and governing order of men, to aggran-
ou private property.

ing the absurd inequality of the land-tax,
all a portion of the burdens of the State is
al property, and by land in particular, it is
ary to refer to the Tables published in detail,
e following is a specimen, framed from the
Land Tax Valuation in the Parliamentary
Session 1844, and the Property Tax Returns,
April, 1848, in the same Paper, and in the
ons adduced as evidence before the Lords'
on Burdens on Land.

Land Tax Paid Upon The Ground Rents And Other Real Property Of Certain Towns.

	Real Property assessed to Property Tax, 1842.	Amount of Land Tax on Land and Tenements according to the Assessments of 1695 and 1798 still adhered to.	Rate of Land Tax per pound on Value of Real Property assessed to Property Tax, 1842.		
	£	£		s.	d.
London City . . .	1,686,266	87,056	about . . .	1	0¼
St. Pancras . . .	1,247,479	1,399	,, . . .	0	0¼
Marylebone . . .	1,087,783	564	half a . . .	0	0¼
Paddington . . .	584,152	354	about . . .	0	0¼
Bath	314,511	657	,, . . .	0	0¼
Cheltenham . . .	216,108	491	,, . . .	0	0¼
Leeds and Suburbs .	544,908	1,057	,, . . .	0	0¼
Sheffield . . .	215,596	212	under . . .	0	0¼
Liverpool . . .	1,568,347	165	about one 9th of a	0	0¼
Ditto, Everton, Toxteth West Derby . .	342,481	341	under . . .	0	0¼
Manchester . . .	1,573,405	1,106	,, . . .	0	0¼
Preston . . .	177,196	98	,, . . .	0	0¼

The same calculations made on all the counties and divisions in England and Wales show an average rate per pound of 4¾*d.* on the annual value of real property assessed to Property Tax in 1842–3.

That this mode of assessing the Land Tax is quite contrary to the meaning of the Legislature is beyond all doubt, for all the Acts expressly provide that the tax on "all hereditaments of what nature and kind soever," shall be "the sum of 4*s.* for every 20*s.* by the year, which the said messuages, lands, tenements, and hereditaments are *now* worth to be leased, if the same were truly and *bonâ fide* leased or demised at rack-rent, and according to the full true yearly value thereof;" and all enact that Commissioners shall be appointed, and that such Commissioners shall appoint two assessors for each Parish, whose duties are thus defined, in the Act of 1798:—"To ascertain and inform themselves, by all lawful ways and means they can, of the true and full yearly value of all manors, etc." And, having so done,

"to assess all and every the said manors, etc., after the rate of 4*s*. for every 20*s*. of the full yearly value as the same are let, or *are worth to be let at the time of assessing thereof*, as aforesaid."

If the valuation of 1692 were to be the fixed and unvarying assessment, what occasion was there for any assessors at all after that had been made? Why should they have been required annually to perform what would then have been a mere unmeaning process? Such, however, is the construction under which landowners have profited, and the revenue has suffered ever since the year 1692.

Of the effect of this interpretation Liverpool affords a striking example. The now populous district of Everton contributes about £12,000 to the Income and Property Tax, exclusive of sums paid by wealthy residents at their places of business in Town. But its contribution to the Land Tax is just *fourteen pounds* and a few odd shillings per annum! This is 4*s*. in the pound on land unredeemed, according to its valuation in the reign of William III., and on the present actual value it is some inappreciable fraction of a farthing.

The same inequality, and, in most cases, the same nominal amount of charge, is found in the assessment to Land Tax in Scotland.

The County of Ayr has the largest amount of real property assessed to the Land Tax, but the rate per cent. is only £1. 7*s*. 2*d*. The County of Peebles, which is valued at £432. 2*s*. 9*d*., is assessed at the rate of 16 per cent. But the value of real property assessed to the Property Tax in 1843, is £531,318. 18*s*. 4½*d*., while Peebles is assessed at £74,810. 7*s*. 3½*d*.

The county of Lanark is assessed to Property Tax, in 1843, at £1,834,998. 13*s*. 4*d*., or more than three times the amount of the County of Ayr, yet it pays to the Land Tax only £1. 5*s*. 5*d*. per cent. Edinburgh pays

£13. 7*s*. per cent. on a valuation of £15,921. 14*s*. 3*d*.; but the rapid increase of manufacturing industry has added immensely to the wealth of this City, the estimate being £609,483. 14*s*. 4*d*.; but even this has been outstripped by the City of Glasgow, which is estimated at £629,340. 8*s*. 10*d*. But the Amount of Land Tax charged on Edinburgh by the Act of 1797, is, £2,660. 10*s*. 6*d*., while on Glasgow it is only £958.

It is impossible to look at the printed statements showing the amount of Land Tax, charged on the different Counties of England and Wales, without seeing that a great portion of the property of the kingdom pays scarcely any Land Tax, and that the charge, per pound, over each district, ranges from 1*s*. to 1½*d*. per pound in Buckinghamshire, to ½*d*. in the pound in Lancashire.

And, if the survey be confined to particular districts, the injustice becomes still more striking. But, if a tax is to be fixed upon the real property of the kingdom, there can be no reason why Manchester and Liverpool should not pay as many pence in the pound as Middlesex, or Bedford. The full extent, however, of the inequalities of this tax cannot be shown, because the assessments on which the tax is actually levied cannot be got at; but it is known that these remain for many years unaltered; and that, consequently, a great portion of real property, in houses and buildings, is never made chargeable. This is particularly the case in agricultural districts, where a great portion is charged upon land; and this, in some degree, accounts for the greater proportion paid by the agricultural districts, while houses are allowed to escape the tax altogether. If the printed tables be referred to, in which is arranged the amount of real property, according to its several proportions to the total value thereof throughout England and Wales, it will be seen that the County of Middlesex ranks the highest, and Radnor the lowest, in the scale. These

show, at one view, the property of each County, in point of value, throughout the kingdom, as far as real estate is concerned; and, in looking at the question of direct taxation, this relative value of different parts of the Country should form the basis of an equitable system of taxation. The three Counties which are the highest in value are, Middlesex, Lancashire, and Yorkshire. But the proportion in which these several counties are charged to the Land Tax, even in these large divisions, is very remarkable.

The County of Middlesex, which constitutes about one-seventh of the entire value of real property in England and Wales, pays about one-fourth of all the Land Tax. In the County of Lancaster, the real property constitutes one-eleventh of the total value assessed to the Income Tax, but it pays only one eighty-second part of the entire Land Tax; and Yorkshire, which holds the third place of wealth in the kingdom, or nearly equal to Lancashire, pays about one-nineteenth part of the tax. But, as already noticed, the real disproportion, or injustice of this tax, does not show itself in these calculations, because the assessment of real property to the income tax is not the actual assessment adopted for the calculation of the Land Tax; so that the rate per pound here given is considerably lower than it really is. The counties which stand charged at the highest rate per pound are the following:—

	s.	*d.*	
Bucks	1	1½	per pound.
Bedford	1	1	„
Hereford	0	11¾	„
Essex	0	11	„
Suffolk	0	10	„
Berks	0	9¾	„
Huntingdon	0	9	„
Oxford	0	8¾	„
Middlesex	0	8½	„
Dorset, Norfolk, Rutland, Sussex	0	8¼	„

This shows that, under the most favourable view of the case, the Agricultural Districts all pay for Land Tax in a far greater proportion than Counties which have since increased their wealth through manufacturing industry. But, if anyone will take the trouble to make inquiries in any of the districts enumerated, he will find that the duplicate, by which the Land Tax is collected, shows a much higher rate per pound than that stated above.

These inequalities in the assessment of this tax are, however, only shown upon the most extensive divisions of the kingdom. But the same are found to exist in cities, boroughs, and towns, on which a distinct quota is set. Those which rank highest in the scale, if the Income Tax Assessment be taken as the basis, are:—

	s.	*d.*	
Buckingham, Borough of	1	7½	per pound.
Fordwich	1	2¼	,,
Tenterden	0	11	,,
Lydd	0	11½	,,
Winchester and Pevensey	0	11¼	,,

Among those which rank the lowest, are the towns following:—

	s.	*d.*	
Oxford University	0	0¼	per pound.
Cambridge University.....	0	0½	,,
Berwick.....	0	0½	,,
Southampton and Hastings	0	0¾	,,
Dover, Bath, and Hull	0	1	,,
Leicester	0	1½	,,
Newcastle	0	1¾	,,

In looking over a list of this kind, no comments are required to point out the injustice of taxing the property of one place nearly 10 per cent., and another only a thirtieth part of that rate.

If we come to those towns which may be said to have

sprung into existence since the Act of 1797 was passed, and which were then not of sufficient importance to be taxed under a separate quota, we shall there find that the amount paid is merely nominal:—

	s.	d.	
Liverpool	0	$0\frac{1}{16}$	per pound.
Manchester	0	$0\frac{1}{4}$	"
Preston	0	$0\frac{1}{4}$	"
Leeds and Suburbs	0	$0\frac{1}{2}$	"
Macclesfield	0	$0\frac{1}{2}$	"
Stockport	0	$0\frac{1}{4}$	"

The Metropolitan Districts show the same inequality, thus:—

	s.	d.	
St. Paul's, Covent Garden	1	$10\frac{1}{4}$	per pound.
St. Mary-le-Strand	1	$1\frac{1}{4}$	"
St. Anne's	1	$1\frac{1}{4}$	"
London	1	$0\frac{1}{2}$	"
St. Andrew's, Holborn	0	$11\frac{3}{4}$	"
Duchy Liberty	0	$8\frac{3}{4}$	"
St. Martin's	0	$7\frac{1}{4}$	"
St. James	0	$5\frac{1}{4}$	"
St. George, Hanover Square	0	3	"
Kensington	0	2	"
Chelsea	0	$1\frac{1}{4}$	"
St. Pancras	0	$0\frac{1}{4}$	"
Mary-le-bone	0	$0\frac{1}{4}$	"
Paddington	0	$0\frac{1}{4}$	"

It has been already shown that Middlesex, as a County, bears a greater portion of this tax than any other County in the kingdom, even when its great wealth is taken into consideration; but the amount of quota still levied upon each district is still more striking. Take only a few examples. The little dirty street, or lane, called Bedfordbury, now in St. Martin's-in-the-Fields, is assessed as £884. 14*s.* 5*d.*, which is £180 more than Long Acre. New Street, just above the same street, is assessed at £880, while that part of the Strand which lies in this street is assessed only at £700.

Take the Holborn Division, and the same inequalities are to be met with. This division stands assessed to Income Tax, and Land Tax, thus:—

	Assessed to Income Tax.			Assessed to Land Tax.		
	£	s.	d.	£	s.	d.
St. Pancras	1,247,478	13	1	1,399	5	2
St. Marylebone . . .	1,087,782	18	4	564	5	1
Paddington	584,152	2	9	354	6	10
St. Giles in the Fields, St. George, Bloomsbury .	306,439	6	0	12,273	0	4
St. Andrew, and St. George, Holborn . .	182,748	11	10	9,018	13	4
Hampstead Rolls . . .	66,573	19	4	855	17	4
Liberty of the Rolls . .	13,510	8	2	1,437	5	8
Total . . £	3,488,685	19	6	25,902	13	9

Here is a district, with property amounting in value to nearly three and a half millions, assessed to nearly £26,000; but upwards of £21,000 are charged upon less than a million's worth of the property of the district.

The instances of this sort are too numerous to be quoted, nor is it necessary, the injustice of the present mode of levying this tax is proved, and must be admitted.

This is a national question, and ought to be met and dealt with on national grounds.

The Act of 1797 was for raising a given sum of money annually upon the whole of the real property of the kingdom, though, absurdly enough, the Commissioners appointed were to assess the several divisions on the valuations and according to the proportions made in the year 1692.

It has been clearly established in the Courts of Law, that the Commissioners have power to alter the quotas assessed in different districts; but this power extends only to a *district equalisation*, and cannot effect any alteration in the original quotas assessed upon each dis-

trict; and it is quite certain that these quotas cannot be altered; for, the 7th section of the Act clearly states that, the sums chargeable upon a county shall be according to the proportionate sums assessed in the Act of 4th William and Mary.

The inequalities in the assessment of this tax in Scotland are, as already shown, equally great with those already given in England. But it is unnecessary further to pursue these inquiries into details.

The Custom of "Aids" has ceased to exist in our modern system of taxation, and the present Land Tax is a strong proof of its injustice, nor can any good reason be advanced why it should not now be repealed, to make way for another Act more suitable to the present time, founded on the sound basis of equal taxation of all real property, and all other descriptions of realised property, the annual produce of which can be ascertained and taxed, without resorting to the unholy and demoralising test of an oath.

If it be admitted that a tax on land and houses be a legitimate tax, this is an admission that the tax ought to be levied in proportion to the annual value or produce, of the property; and then the present Land Tax, added to the Income Tax, is a double charge on this description of property. It is often heard as an argument for the continuance of the existing state of things, that all purchases of property have been made with the full knowledge of the present Land Tax; but this is no argument against an equitable adjustment of taxation; and with a Land Tax on land, and houses, an additional House Tax, and an Income Tax, an equitable adjustment is impossible. The only way of proceeding for this object is, to repeal all these Acts, and to begin again on a new system. But this course of proceeding involves the necessity of some equitable arrangement with regard

to that portion of the Land Tax which has been redeemed under THE LAND TAX REDEMPTION ACT.

The Land Tax already redeemed amounts, (or lately did amount) to something under a million of money. But, whatever the amount, it must be regarded as part of the National Debt, and be dealt with accordingly.

It is, therefore, proposed that a new Stock be created, to be called The Land Tax Redemption Stock, by which all sums of money paid for redemption of Land Tax shall be discharged in the form of annuities.

By these simple and just means all difficulty on this ground would be removed for establishing one uniform valuation of real property throughout the kingdom, which shall form the basis for all taxes levied upon it, whether for imperial or local purposes.

The process of redemption of Land Tax is nothing more than a transfer of annuities to the Crown, either by transferring so much Stock as will produce an annual amount of interest equal to the sum of Land Tax charged, and *one-tenth* more; or by payment of a sum of money which shall purchase such an amount of Stock in the three per cent. Consols, or in the three per cent. reduced Annuities, at the price of such Stock, the second week after the date of the contract. That is to say, that if the yearly sum of Land Tax to be redeemed shall amount to £100, then so much stock must be transferred as will produce £110 interest.

Here, then, is no difficulty in re-adjusting this Tax, and doing justice to all parties. It is simply a money transaction, and one easily carried out, the sum redeemed being under £1,000,000.

Thus, by repealing all the existing Land Tax, and Land Tax Redemption Acts, and imposing a tax on all the Land, Houses, and other realised property of the kingdom, by an equal rate to be levied on the present yearly value as proposed, all the accumulated and ac-

criung Capital of the kingdom would then contribute a fair share of taxation to the State, and a principle would be at once established, which would form an immoveable basis for the security of the public revenue, and the honor and prosperity of the nation.

The adoption of this tax would then enable the Legislature to repeal every Statute relating to Customs and Excise duties, and at once to sweep away a heap of tangled rubbish, which, like a filthy and fermenting mass, is now spreading noxious exhalations over every part of the country, poisoning the people, paralysing their natural powers, and producing altogether an amount o. degradation and misery incalculable, and otherwise incurable. And not only this, but also much other obnoxious rubbish, in all those Acts of Parliament under which the unequal and unjust Income Tax,—the mean and contemptible Assessed Taxes, and the cruel and vexatious Stamp Duties, are now levied.

Let these intolerable and offensive burdens be removed, and who can say what might then be the prosperity and power of this People?

With such a Country, and such a People, rich in nature's gifts, who can say, what might be their greatness, and their happiness, if once delivered from these oppressive and debasing influences, which are ever acting like an over-hanging all-pervading blight, desolating the fair face of the country, paralysing the natural powers of the people, and, through the innumerable crooked ways of evil, demoralising the whole nation?

These are prospective benefits,—not to be calculated in figures, but to be thought of, to be hoped for, to be looked for,—to be aimed at. The People must be made free, before they can be made happy, and happy before they can be made good.

The laborer is not free so long as he is deprived of the fruits of his own honest labor, or curtailed in the

enjoyment of any of those rights and privileges, which they now mainly contribute to support, that others may enjoy.

A vast majority are now taxed for the State beyond all proportion to the benefits conferred upon them by the State. To them it matters very little who is the Ruler, if such is to be the rule.

That the sum of Forty Millions and upwards should be yearly raised from the People by Customs and Excise duties, is a shame and disgrace to this enlightened nation. It is an open violation of all justice between man and man, and sets at defiance all common sense.

When will it be remembered that men with their millions are but stewards, or trustees, or what you will, to remind them of the solemn truth that, they are stewards and trustees, at the longest, but for life, and not always even that, and that the time must come, when they will be held accountable for their stewardship, or trust?

And when will the Rulers of Nations, and the Lawmakers, learn that they will be held accountable for Laws which grind down and oppress the poor? Such are the laws which impose the greater part of the taxes on the daily necessaries of life, thereby imposing the greatest burden on the greatest number, who are least able to bear it, and limiting the few luxuries and comforts within the reach of those by whose combined labor the nation's wealth is made, and private riches are accumulated.

When will they learn that colossal fortunes, and wide-spreading misery, are signs of something wrong,—that there is something rotten in the State which brings forth such monster evils, and anomalies, found mostly in rude and barbarous nations? Not that these colossal fortunes, or the possessors, are complained of, but the system which fosters, and encourages, these monstrous

growths, at the expense and suffering of those by whose labor they are produced. As Coleridge truly said:—"There are errors which no wise man will treat with derision, lest they should be the reflection of some great truth yet below the horizon."

Well may we be reminded of Lord Bacon's maxim from Scripture,—to "make a stand upon the *ancient* way, and look about us to discover what is the *best* way;" for, "if time of course alters things for the worse, and wisdom and counsel shall not alter them to the better, what shall be the end?"

No human system, however faultless, can be so framed as to *keep* itself in good order, and *adapt* itself to the changes which time *must* bring to the generations of mankind.

These instances may be sufficient to show the inequality and injustice of the present system, and that it is impossible to establish a sound principle for taxing real property on any such unsound basis.

Why the equal and just law, in the Act of William and Mary, has not been carried out in its true spirit, it is needless now to inquire; but carrying out this law now, 170 years after it was made, by adapting it, in its spirit and intention, to the present time, can be no innovation.

It is proposed that similar directions should now be given, and like arrangements made, as by that Act, for an assessment of 2*s*. (instead of 4*s*.) in the pound, upon all real property assessed on the *bonâ fide* rack-rent; and on personal property, as defined, at the same rate.

To obtain such a Valuation of the Real Property, would be neither difficult nor expensive, nor would much time be required for this, with the Ordnance surveys, and the surveys and valuations for the Tithe Commutation, already made.

appears, therefore, to be for those who object to the

proposed scheme for *direct* taxation, to state the ground of their objection. If the objection be one of *principle*, there can be no difficulty in stating it, and if the principle cannot be maintained in *theory*, it ought not to be carried out in *practice*.

But it is no just ground of objection to show that, by this scheme all will not be equally taxed in proportion to their means, that not being the principle on which this scheme is founded. It must be first shown that, to tax all in proportion to their means is a just and wise principle, which has hitherto always been assumed, but never proved, and is here denied. It must be shown that, it is unjust to those taxed, and injurious to the State, if all be not taxed equally. It is here asserted that, it is impossible, by any scheme, to tax all equally, in proportion to their means, and that, if it were possible so to tax them, it would be both unjust and unwise for themselves, and for the State.

This is the question, and it is not to be answered by an opinion resting on the prejudice of long usage,—by the idle and groundless charge of *innovation*, or by the idle and groundless fear of consequences from so great a change,—such as, throwing vast masses of the People out of their accustomed employments, and such as, depriving the Government of so much Patronage. It must be shown that those consequences are necessarily evil, and irremediable—that other and more profitable employments are not to be found—that such patronage is necessary for good government—that it is any part of the duty of a Government to find employment for the People.

If they do not show all this, they do not answer this question; but they impute great wrong to the Legislature for sanctioning the innovation of Railways, without providing compensation for the vast numbers thrown out of their accustomed employments by this great change in social life.

If the objection be one of *detail* only, the principle is admitted, and there can be no difficulty in adapting the details to suit the principle. It is not pretended here to define all the details necessary for carrying out the principle in practice. The details may well be left to the Government and the Legislature, but the principle must be settled by the People, if it be ever settled at all.

The more carefully the proposed scheme is examined in all its details, the more clearly it will be seen that, it is founded on the just and sound principle of making every person contribute to the necessities of the State in proportion to benefits received from the State; and that the effect will be to impose no undue portion of the burden to be borne on any particular class of persons, or description of property, but to spread the whole burden equally over all, in a manner most conducive to the best interests of all, by setting free from all imposts, bonds, and shackles, of every sort, the labor, skill, manufactures, trade and commerce of the country,—in short,—leaving the laborer free to enjoy the whole fruits of his own labor, (a sacred and indefeasible right of all human beings,) and the People themselves to increase and multiply, according to the original design of creation,—to replenish the earth, and subdue it, and, at the same time, to enjoy the fruits thereof, which shall then be to them for meat.

Whoever says that this is innovation, must dispute this declaration taken from the earliest record of the world, and preserved to us as a Divine Command.

But, if the People would have this carried out, they must demand it in a proper manner, through their representatives, in the proper place, and this being a just and lawful demand, they must go on demanding it until it be granted.

It will be seen from this short review of the Land [illegible] that, the proposed change in the taxation of

the country is no innovation, but only a partial restoration of the Land and Property Tax Acts, passed in the reign of William and Mary, and in the subsequent part of the reign of King William,—"of glorious memory."

No attempt was then made to tax Incomes, otherwise than as derived from Land and Houses, and from certain specified descriptions of Personal Property, according to the Annual Value thereof, as ascertained by valuation. There was no inquisitorial inquiry into incomes, no demand of returns under Schedules A. B. C. D. E.—no encouragement to false returns,—no premium on perjury. There was no tax on Stock in Trade—no tax on the Profits of Trades, or Professions—no tax on the Wages of Labor. Wherein is the difference between that state of things, and the change now proposed? The only real difference is in this:—that the enormous increase in the value of the real and personal property of the kingdom since that tax was first imposed, would enable the State to raise the required revenue by imposing only half the amount of that tax, and to dispense with all other taxes on property. That is the only difference between the state of things which then was, and is now proposed to be.

Therefore, this is not innovation,—or departure from, but a return to, or restoration of—constitutional right.

It was, manifestly, no part of the purport, or intent, of those Acts, or any of them, to tax, directly or indirectly, incomes, profits, or wages, as such.

It is no part of the proposed Scheme to tax any of these, as such.

CONFISCATION.

'To impose the chief burden of taxation on Land, Houses, and other realised property, is to tax wealth; or, to confiscate the property of the wealthy.'

This is not a profound objection, but it is so common that, it seems to require an answer. Let us, therefore, examine it fairly, and, if possible, without prejudice.

No doubt, every tax implies confiscation, or the seizure of private property for purposes of the State.

Assuming that the tax is levied by an equal rate on every description of property taxed, it remains only for inquiry, why such descriptions of property should be taxed at all. The question whether other descriptions of property should, or should not, be taxed in like manner, is another question.

It will be convenient to commence the consideration of the present question by beginning with Land, which is the beginning of all property.

What, then, is the origin of all existing titles to Land in this kingdom?

History shows that, both in ancient and modern times, the Land belonged to the State, and to no private person. Town lands, as the name shows, belonged to the Public. The Crown Lands were not the private property of the Sovereign, nor could he lawfully alienate them. The Church lands were equally the public property, and the Clergy owed public religious duty for them. Bishops and Abbots, equally with Barons, were bound to maintain, on their estates, soldiers for the King's need. The Barons' domains descended to their sons, or representatives, and might not be sold for the advantage of the immediate holder, who had only a life interest in them. All these great functionaries had to do solemn homage to the King for their Land, in token that it was Public Property; besides which, they were liable to other burdens.

The principle has always been recognised, that landed possessions are a TRUST bestowed by the State; and that the person accepting the trust becomes,—in some sense, a public functionary, pledged to definite duties.

In India the same principle is recognised. The system of sustaining the expenses of the State by the rents of Public Lands, has almost vanished in modern Europe. It is appropriate to feudal monarchy, but, without some modification, it is ill-suited to our own times.

A feudal Monarch was, in principle, sustained like his Barons on the rents of lands, and some other customary payments. He was little more than a Baron on a great scale. If the Crown Estates had been duly preserved and faithfully improved, no further revenue would be needed for ordinary government. The expenses of wars, however, would always have to be defrayed by some special taxation. But, in fact, wars were so constant that, war taxes were perpetual, and the Public Lands were hired for a trifle by individuals of the Aristocracy, through mutual connivance: thus the legitimate revenues were diminished, and ultimately dissipated.

This is so uniform a story in every country that, in modern times, nobody seems to think of the possibility of managing Government Estates honestly. Public Opinion among ourselves regards the function of a landlord as too similar to that of a merchant, or trader, to be efficiently exercised by a government. All old and noble families are apt to know better how to spend, than how to amass revenues: still more eminently in this time of Princes, and also of Ministers, who, having generally a short tenure of office, do not feel disposed to undergo the odium of raising the Crown Rents, if no immediate result of great importance to the treasury be attainable. To tax the Nation is easier.

When the Public Revenue depends solely on the Rent of Crown Lands, all goes on well enough. But, after the Monarch finds himself able to get supplies in hard money from *another* source, as by gifts from trading cities, and votes of his Parliament, the temptation becomes irresistible to gratify some favorite by putting him

in office over some of the Crown Estates, and not exacting of him the full rent. The legitimate revenue is squandered, because the King can replenish the loss conveniently in another way, and he prefers the ready cash to the produce which needs to be sold.

Perhaps, in no country of Europe have the Crown Estates been honourably used, even where they have not been alienated. For instance, in Hungary, the Austrian Emperors have preserved the Crown Estates; but they have not succeeded in making any use of them proportionate to the industry and knowledge of our times. A King cannot hold auctions of his farms or mines in person, so as duly to raise the proceeds; and his officers generally manage to divert to their own uses any increase of rents which, from time to time, ought to arise.

We cannot wonder at this when we know that some of the most valuable Estates, still remaining to the English Crown, are no source of public revenue. The illegal alienation of the Crown Estates, partly by sale, and partly by gift, is a scandalous chapter in English History. Against it the Parliaments again and again protested, and often effected a resumption of the Estates. Richard I., after selling some of them, and using the purchase money,—took back the lands himself, alleging that the sale had been essentially beyond his power. However, after the Abbey Lands had been distributed among the Aristocracy by Henry VIII., Parliament was dumb, so many having eaten the sop; and the alienation of Crown Lands went on, until at last the whole taxation of the country, which ought now, as originally, to have been defrayed by rent of land, was shifted from land to trade and industry. The Land-holders passed laws to exempt themselves from feudal service, so as to hold their lands for nothing, and presented the King with a tax on beer instead!

It is strange to add that the Commercial Community

was so far from resisting, or resenting, this great financial revolution,—which was really a gigantic fraud on the nation, and peculiarly on the towns,—that they practically aided it, owing to their great desire to see land converted into a purely commercial article.

No sooner has a man become wealthy in trade, than he desires to become master of a landed estate by purchase. But the old laws did not allow a nobleman, or baronet, to sell his estate, for it was a fraud on his successors to take in ready money the value of the land for ever. Yet, from an early period, the Crusades urged so many to desire to sell their lands that the law was often evaded; and, from the necessity of these evasions, came those fictions which have since been such an unintelligible mystery to the many in the Law of England, on the transfer of land for money.

This conspiracy against the Law went on for two or three centuries, between impoverished land-owners, wealthy merchants, and cunning lawyers, whose combined force, aided by the decisions of judges, gradually overturned the old feudal theory, and worked into the English mind the idea of Land, as something to be bought and sold freely in the market. Commercial notions of land prevailed, and in process of time landholders claimed a right to their estates, as if no one else had a right in them. Subsequently, we have seen this right exercised in ejecting masses of population from the land occupied by their forefathers for generations.

But this is a very modern enormity. Nor is it confined to Ireland, that much injured and oppressed portion of the United Kingdom. We have seen it carried out ruthlessly in Scotland. We have seen many thousands driven off the lands occupied time out of mind by their forefathers. We have seen their villages pulled down, or burnt, and their fields turned into pasturage. The human inhabitants were thus ejected that sheep

might take their place, because sheep *would pay better* than human beings! Or, that the wild animals of the chase might have a wider undisturbed range for the amusement of the lordly land-holder!

To this shocking end has all this jugglery come; and the destitute poor must now seek their right in the parish work-house, or accept it as doled out by the Guardians of the Country Unions.

A Baron in the plenitude of his power has rather less right over the soil than the King, from whom the Baron derived his right; and a King of England might as well claim to drive all his Subjects into the Sea, as a Baron to clear his Estates. We read how William the Conqueror burnt villages, and ejected the People by hundreds, in order to make a hunting ground for himself in the New Forest. That deed, which has been execrated by all who relate it, seemed an extreme of tyranny: yet our Courts of Law, and our Parliament, allow the same thing to be done by smaller tyrants; and the Public sits by and mourns to think that people deal so unkindly with *that which is their own.*

Here is the fundamental error, the crude and monstrous assumption, that the Land, which God has given to our Nation, is, or can be, the private property of any one to do with as he likes. It is a usurpation similar to that of Slavery. The slave-master calls himself owner, and pleads that he has purchased the slave, and that the Law has pronounced slaves to be chattels.

But that law is immoral, and unjust, for no one could sell what was not his own; and no number of immoral sales can destroy the rights of man. All this equally applies to Land. The land was *not* regarded as private property by our old law: it is not to this day treated by law on the same footing as moveables; and there are many other persons who have rights in a piece of land besides him who gets rent from it. The Lord of the

Manor has his dues, but this does not annihilate the claims of others. For land is not only a surface that pays rent, but a surface to live upon, and the Law ought to have cared, and ought still to care, for those who need the land for life, as much as for those who have inherited it, or bought a title to certain fruits from it.

Political Economy, in a Country which sanctions Slavery, will talk of Slaves as of cattle; and rightly as regards Commercial Calculations. So, too, among ourselves, Economists have accepted as *fact*, the commercial doctrine of Land. Their science is not to blame for it; but some of them, as individuals, are to blame for having so much sympathy with the rich, and so little with the poor, as not to see the iniquity of such a state of things; but rather to panegyrize English industry as living under glorious advantages, where the laborer on the soil has no tenure in it,—no direct and visible interest in its profitable culture,—no security that he may not be driven off from it, in order to swell the rental of one who calls himself its owner.

These are the sentiments of Professor Newman, and many of the foregoing remarks, on this part of the subject, are given in his own words. He supports this view by arguments and illustrations, from facts in history, which must carry conviction of the truth to every impartial and reflecting mind. But this view has so long been lost sight of that it is scarcely possible now to bring it back for impartial consideration, and quite impossible for any practical purpose. Nor, if possible, would it now be desirable to re-establish it in practice. It is here referred to only as a necessary part of the inquiry into the origin of titles to landed possessions in this country, and to establish the principle that, Land is the primary fund to be resorted to for supplying the necessities of the State, in answer to the objection on the ground of Confiscation.

How those vast estates, now held by individuals in the United Kingdom, and particularly in those parts called Scotland and Ireland were first acquired, is well known to those who have any knowledge of English History. Ireland, especially, is an instance. Ireland was treated as a conquered country, and nearly the whole of it was portioned out in large tracts, by grants to favorites. The ancient nobility, or landowners, became serfs, and the new nobility became their lords, and masters, and called themselves land-*owners*, instead of land-*holders*.

For some centuries afterwards the original Irish landowners were treated little better than cattle, and often not quite so well. But that was against the natural law of reason and humanity, and also against the law of civilized nations. The natural rights of mankind must ever remain the same. These cannot be destroyed by human wrongs.

Wrongful and fraudulent as were most of those titles in their origin, no one proposes to disturb them now; but they may be fairly considered in an inquiry into the claims of the State, and the rights of the poor.

That the right of private possessors of land is only limited, is a principle daily acted on by our Legislature. Individuals are forced to yield up their land, and to accept compensation from a neutral party, on much slighter grounds than necessity for the maintenance of human life. It is thought convenient to the Public to have a road, a canal, or a rail-road station, and the land-owner is unceremoniously forced to give up his land for the public convenience. The compensation may be liberal or not. That is no part of the present question. The matter of principle is, that the State, at pleasure, resumes possession, and does not allow the holder of the land to have his own way, or to fix his own price. Thus, practical law, and moral reasoning, agree with the constitutional history in this result,—that an individual can never ac-

quire absolute or sole right in land, but that, there is always some limitation of his right, and a power of resumption reserved to the State. Now, if that power be recognized for the benefit of the community in the case of a rail-road, it is impossible to deny the same power, for the same purpose, in the case of a starving population.

This seems to establish the principle, that the aged and helpless poor, and destitute children, have a natural and legal and indefeasible right to be maintained out of the produce of land; and that this is a prior right to any rights of the land-owner, who is not a land-owner, in the strict sense of the word, but only a land-holder, subject to the rights of the State, which are indefeasible. We may hope that every evil has its good, and that such may have been the case with the pecuniary prodigality of our Monarchs. If William the Conqueror and his successors, or, even if Henry the Eighth and his successors, had wisely husbanded the Crown Estates, the Monarchy must have become despotic.

The State may easily be too rich; and that is our only comfort under the burden of our present Public Debt.

From these remarks it will be evident that, as a general principle, where a system of landed rent is introduced, no tax is more simple, or more just, than to take a per centage of the rent for the service of the State. This ought to have been done from the first, but there can be no good objection to the adoption of this principle in practice now, if other burdens pressing directly, or indirectly, on land be removed.

If a tax, even of 50 per cent., had been laid on land in England many centuries ago, that would be now quite unexceptionable, and by far the best of taxes; far better than the possession of the Land by the State, as Landlord. A tax on rent is, of all taxes, the most equitable, and the easiest to levy, and is the one that becomes more

and more productive in the later periods of industrial developement, when government becomes most complicated. It, therefore, seems an unthrifty and reckless proceeding not to take measures prospectively in all new States for ultimately levying this tax; and if this were made applicable to all estates alike, there would be nothing oppressive, and it would tend to prevent oppressive enactments in a free State.

Colonial Land is avowedly a State possession. To grant it away to individuals from favor is now, after long experience, repudiated as a public profligacy; but to sell it is thought to be the part of prudent statesmanship. The land is, at first, necessarily sold at a price so trifling that, the Colonies never pay their own expenses. It is impossible to *forestal* the value of land, although we know that it will increase hereafter with the growth of population. But our practice of selling it, alienates it to individuals for ever, and thus, for an insignificant sum paid down, the permanent heritage of great nations, *in future*, is parted with for ever; and Colonies, instead of being independent supports, are dependent incumbrances to the Mother Country.

Individuals are wiser in providing for their great-grandchildren, by granting building leases for 99 years, after which, not only the land, but all the houses and fixtures become the property of the heirs. And even to this, not very reasonable demand, builders are readily found to agree. Yet, the State, called the Mother Country, exercises no such foresight for the welfare of Colonies, when it might have done so easily. If, instead of selling the land for ever, and for a price which must be little more than nominal, the State had sold it for 100 years only, securing to the occupant an exclusive right to all houses and fixtures, and the land on which they stand, with free rights of way, but reserving the remainder of the land to the State; no one entering into

that arrangement could complain of it, and the property of the State would then be protected for the benefit of the people.

The prejudice of long established custom might prevent this from being carried out in practice in old countries; but in new countries there seems to be no difficulty, and no objection.

People in general have little notion how much more what they call their opinions, (and on subjects which most nearly concern them), are formed from the prejudice of long habit, than from reflection.

The foregoing observations in answer to the objection to the proposed Property Tax, as regards Land, apply, in a great measure, to the proposed Tax, as regards Houses.

The House is fixed to the freehold, and cannot be separated therefrom; and, as soon as completed, is income (or may be) ascertainable, or calculable.

The House represents the Capital invested in it, and comes within the definition of *realised* property, under the special protection of the State.

The tax being an equal fixed rate on the rack-rent, or annual worth if let, is levied equally on all houses in proportion to the worth, so ascertained.

The tax being levied equally on all houses, therefore cannot diminish the worth of the property to the Owner; because, whatever the amount of the tax, he will add it to the rent to be paid by the Lessee, or Occupier. It is obvious, therefore, that the objection on the ground that, many houses in counties are worth less, if let, than the same description of houses in a borough, if let, is no objection at all.

The objection, that it is unfair to tax Houses, and not to tax ships, and other machines, is equally groundless, as will be shown hereafter, though the charge of unfairness can never apply to a tax on Houses, under any circumstances, if all houses be taxed equally.

COMPENSATION.

This is another objection to the proposed Property Tax, very commonly made, especially by Landlords.

It is said that, Land and Houses are already subject to heavy burdens, such as County and Borough Rates, and other local charges; as also, the unavoidable expenses of repairs.

With respect to the *first*, these are natural and essential incidents to the property, and for all such outlay it must be assumed that value is received.

With respect to the *second*, the same answer applies to some extent, but inasmuch as this description of property is subject to rapid deterioration, without continual outlay for necessary repairs, it is not unreasonable, in assessing the tax on the rack-rent, or annual worth to let, to make some allowance for these expenses.

The case supposes the abolition of duty on Fire Insurances, and all other impositions by the State.

It has been already shown what are the burdens on Land and Houses under the existing system of direct and indirect taxation, and what would be the burden of the single and direct tax under the new system.

The claim of further compensation is, therefore, groundless.

It is not an easy task to bring under one view all the incidental local charges to which Land and Houses are now subject; but, whatever these are, under the existing system, it is easy to see that, under the proposed new system, these charges must be much less.

These Local Charges, as well as they can be ascertained, will come under review hereafter.

ORGANIZATION.

There is a large class of objectors (happily not so numerous in this country as in some other countries) who are so much opposed to the existing state of things that they have proposed *to organize* society upon a new plan, in which injustice and suffering shall have no place.

They are reduced to the melancholy necessity of disowning the good which society develops, of denying its progress, of imputing to it all sufferings, and exaggerating them beyond measure.

They are led to condemn the very mainspring of human action,—*personal interest*,—because it has brought about such a state of things.

From this source, it may be, that all social evils take their rise—war, slavery, monopoly, privilege; but, from the same source springs all that is good, since the satisfaction of wants and repugnance to suffering are the motives of human action. The business then is to discover whether this incitement to action, by its universality,—from individual becoming social—is not in itself a principle of progress.

The inventors of new organizations do not perceive that this principle, inherent in the very nature of man, will follow them into their systems, and that there it will make greater havoc than in our natural organization, in which the interest and unjust pretensions of one are, at least, restrained by the resistance of all.

These visionaries assume two inadmissible suppositions—the first is, that society, such as they conceive it, will be directed by infallible men devoid of this motive of self-interest; and, secondly, that the masses will allow themselves to be directed by these men.

These system-makers appear to give themselves no trouble about the means of execution; or, how they are to establish their system; although, as Rousseau has said,

it would be necessary *to change the moral and physical constitution of man.*

The founder of the new system must have at his disposal a force capable of overcoming all resistance, so that humanity shall be in his hands only as so much melting wax to be moulded and fashioned at his pleasure; or, he must obtain by persuasion an assent so complete, so exclusive, so blind even, as to render unnecessary the employment of force.

Such is the substance,—given almost in his own words,—of the opening chapter of Bastiat's, "Harmonies of Political Economy," in refutation of all the wild theories of the Socialists and Communists of France.

It is objected by some,—though, probably, the number is very few,—that the views, advocated in these pages, aim at the re-organization of Society on the Socialistic and Communistic principle. But no such views are entertained by the Writer. His only object is, the attainment of more liberty for all People, and more of that equality which liberty alone can give, and that is, —equality of justice,—to effect a more intimate association between labor, capital, and skill, thereby insuring to the members of the human family a greater amount of material enjoyment—enjoyment more equally distributed.

This is the Liberty and Equality here advocated, and this is the tendency of the Scheme here put forth—nothing more. The organization of Nature, which Man can never change—never improve—will do all that remains to be done, which is all that is to be desired.

What, but this, ought to be the end of every system of legislation?

As long as human organization conflicts with the organization of Nature, so long will social order be disturbed by that disquiet in men's minds which must ever proceed from unsatisfied desire.

And if that desire be implanted in the human mind, as essential for his present existence as one in the social order of human beings, and to prepare and qualify him for a higher and future state of existence,—(and who can doubt it?)—we may be sure that no human efforts will prevail to destroy that desire, however terrible the sufferings which that conflict may introduce. Nature will ultimately prevail over all the artificial restraints of human selfishness, love of power, ambition, and pride, and thus out of evil and much suffering great good and higher happiness will spring. And who could wish it to be otherwise?

If the law of our nature, established by this inherent and universal desire, be violated and denied, who could wish that this law, at whatever cost, should not be justified?

"But whatever hopes we may entertain as to the future, whatever ideas we may conceive as to the measures that men may adopt for their mutual relations, and the diffusion of happiness, knowledge, and morality, we must never forget that society is an organization which has for its element a moral and intelligent agent, endued with free will, and susceptible of improvement. If you take away Liberty from man, he becomes nothing else than a rude and wretched machine."

These are the words of Bastiat, and it will be well for all Governments and People if they will keep these words for ever in remembrance; and the following, by the same enlightened Writer, are too memorable to be here omitted, being also explanatory of all that is here written.

"If the tendencies of human nature be essentially perverse, where are the organizers of new social systems to place the fulcrum of that lever by which they hope to effect their changes? It must be somewhat beyond the limits of the present domain of humanity. Do they

search for it in themselves—in their own minds and hearts? They are not gods yet; they are men, and tending, consequently, along with the whole human race, towards the fatal abyss. Shall they invoke the intervention of the State? The State also is composed of men. They must, therefore, prove that they form a distinct class, for whom the general laws of society are not intended, since it is their province to make these laws. Unless this be proved, the difficulty is not removed, it is not even diminished.

"Let us not thus condemn human nature before studying its laws, its forces, its energies, its tendencies. Newton, after he discovered attraction, never pronounced the name of God without uncovering his head. Yet the celestial mechanism is subject to laws of which it has no consciousness; and the social world is as much superior to that which called forth the admiration of Newton as mind is superior to matter. How much more reason, then, have we to bow before Omniscience when we behold the social mechanism, which universal intelligence no less pervades; and which presents, moreover, this extraordinary phenomenon, that every atom of which it is composed is an animated thinking being, endued with marvellous energy, and with that principle of all morality, all dignity, all progress, the exclusive attribute of man—LIBERTY."

This long extract is given because it expresses the motive and object of the Writer of these pages far better than any words which he could have used; and this is his answer to all objections on the ground of the evil tendency of his views. He does not deny that his views, carried out in practice, would effect a great change in the physical and moral state of society, but he maintains that the tendency of the change would be to effect a great improvement in the physical and moral condition of the social state, by extending liberty, and with free-

dom of action, individual responsibility, and social happiness, over the whole world.

If the rights of labor were more justly regarded, the laborers might hope to save out of their wages sufficient to keep them out of the Poor House in the time of old age, infirmity, or accident. But, now, few of the common laborers can by industry, skill, and prudence, bring themselves within reach of that hope, and, without hope, the manly spirit of independence can never thrive.

To large masses of the working classes there is now no hope for old age and infirmity, but in the Union, or Parish Work-house.

This must ever be the end for them, under our present system of Taxation, and Poor Laws.

The wretched victims of this unwise and cruel system crowd together in our towns, into which the misery of the country drains!

Here they congregate in masses too great to be known, —too great to be relieved,—by the richer classes; and this dead weight, crushed together in our great towns, if, by a wiser and more humane system, spread over the country, might be so much addition to its living strength and capital.

All attempts to direct the channels of employment on moral grounds, seem to proceed in forgetfulness of the narrow limits of a ruler's power. We talk of the omnipotence of Parliament. What Parliament but abhors Gin-Palaces? And, yet, what is done to abolish them? All know that, to prohibit Spirits would lead to their secret sale. All that can be wisely attempted is, to impart moral character, sanction moral relations, and claim the performance of relative duties, in all the existing and tolerated forms of social life. In this consists the ORGANIZATION OF STATES. This is the true SOCIALISM.

This is the great duty of the State, and to show how this may be effected is the present object.

COMPETITION.

Without liberty there is no Competition. Take away freedom, and there remains slavery.

What is Competition, but the absence of constraint? In what concerns my own interest, I desire to choose for myself—that another should not choose for me, or, in spite of me—that is all. If any one claim the right to substitute his judgment for mine in what concerns me, why should I not substitute mine for his in what concerns him? To take away the liberty of acting is to destroy the possibility, and, consequently, the power of choosing, of judging, of comparing; it is to annihilate intelligence, to annihilate thought, to annihilate the highest privilege of man.

Those who would ameliorate society by annihilating liberty, begin by annihilating the individual as a rational being, under the pretext that all evils come from this source,—as if all good did not come from it too.

Such always has been, and always must be, the object and effect of all human laws. To a certain extent, such is essential for the protection of life and property, and social order. But anything beyond this is arbitrary despotism, and injustice, and, by destroying, or diminishing, individual liberty, annihilates, or restricts, that right to make comparison, or choice, which is essential for competition. It directly tends to prevent that mutual interchange of services for services, for which every one is born into the world, and, therefore, to arrest the progress of mankind, by restraining and limiting human efforts. It breaks, or weakens, the main-spring of human actions, and thereby conflicts with the law of nature. In this conflict human beings suffer, and must suffer as long as the conflict continues, and that is, as long as the human law is permitted to operate in opposition to the higher natural law, which must prevail.

And how does it prevail?

It prevails by force of the penalty which inevitably follows the breach of the higher law.

Reason sometimes, but rarely, intervenes to save the penalty. Most frequently Reason prevails long after the penalty has been suffered, and is no longer endurable. Then some man begins to think—such a man, for instance, as Richard Cobden,—and he sets other men a-thinking—such men, for instance, as Bright, Wilson, Thompson, etc.,—then they meet together in a little back parlor, and reason together; then they go out and talk to the People, and they set the People a-thinking, —and they print and circulate sound reasoning amongst the People, until the People are able to reason for themselves; and then the voice of the People begins to be heard, and heeded, though the cry of the People was heard before, but unheeded. At last, the voice reaches the rulers, and strikes terror into their hearts, not for the People, but for themselves, and for the State, now in danger. They repeal the obnoxious law, and the conflict instantly ceases. Harmony is restored. The natural law has prevailed over the human.

But how? By much human suffering. By the starvation of thousands of human beings, and the desperation, from distress, of millions.

And what was the cause of all this human suffering?

The annihilation of liberty and intelligence—the loss of liberty of acting,—the loss of the power of choosing, of judging, of comparing,—the loss of competition.

And what was the penalty?

Starvation, misery, death.

And yet,—to make a passing observation on the perversity of the human mind,—how strange, that the man to whom, more than any other, all this human suffering may be attributed—the man who, more than any other, governed the councils of the State through that long

gloomy period—the man who, more than any other, helped to shut out the light of Reason, and who persisted in his own wilful course as long as he dared, in defiance of all reason, and of all the suffering around him,—who was deaf to the wailing cry of misery, and yielded at last only to the loud voice of demand,—that dead man is honored as the great Statesman who repealed the obnoxious and wicked Corn-Law, and the bronze statue is erected to his memory; whilst to the living man, who originated this great measure of relief, and more than any other man helped to tear down Protection and Monopoly, and to set up Liberty and Free Trade, no Statue to his honor is yet raised, no reward yet given, but in the tribute of a grateful people—no State acknowledgment for the greatest service, perhaps, ever rendered by a subject to a State! But the award of posterity will more wisely determine which of these two men was the real Statesman, and though there should be no Statue to the memory of the true Statesman, his name will be imperishably written in the history of his country.

After all, what is Competition but the free exercise of the right of choice? As Bastiat asks:—"Is it not quite natural that in every case wants should be judged of by those who experience them, satisfactions by those who seek them, efforts by those who exchange them? And is it seriously proposed to substitute for this universal vigilance of the parties interested, a social authority, charged with determining in all parts of the world the delicate conditions of these countless acts of interchange? Do you not see that this would be to set up the most fallible, the most universal, the most arbitrary, the most inquisitorial, the most insupportable, the most impossible of all despotisms?"

And here is his answer:—"It is Competition which, by its incessant but unperceived action, restores an equi-

librium which is sanctioned by justice, and which is more exact than any that the fallible sagacity of a human magistracy could by possibility establish. Far from Competition leading to inequality, as has been erroneously alleged, we may assert that all *factitious* inequality is imputable to its absence. The Socialists see in Competition the source of all that is evil, whilst we trace to the attacks which have been made upon it the disturbance of all that is good. Although this great law has been misunderstood by the Socialists and their adepts; although it is frequently harsh in its operation, no law is more fertile in social harmonies, more beneficent in general results; no law attests more brilliantly the measureless superiority of the designs of God over the vain and powerless combinations of men."

It is the unquestionable result of social order that, "*the sum total of satisfactions which falls to each member of society is much superior to those which he could procure for himself by his own efforts.*" It is this result which Bastiat is continually urging in his great work from which this is quoted.

But the additional element which resolves the problem is, the co-operation of natural agents constantly becoming more and more effective in the work of production; it is the gratuitous utility continually co-operating with *Community;* it is the labor of heat and of cold, of light, of gravitation, of affinity, of elasticity, coming progressively to be added to the labor of man, diminishing the value of services by rendering them more easy.

But it is not that value diminishes immediately, and of necessity, by the simple fact of the co-operation of natural forces, and the relief thereby afforded to human labor. It is not, as the English Economists say, that value is proportional to labor. The man who is aided by a natural and gratuitous force renders his services more easily; but he does not on that account renounce

voluntarily any portion whatever of his accustomed remuneration. To induce him to do that, external coercion—pressure from without—severe but not unjust pressure—is necessary. It is Competition which exerts this pressure.

But for this, each man would continue to be paid not only for his labor, but for the natural forces which he had once succeeded in setting to work, and thus, Society would be constituted on the principle of universal Monopoly, instead of being, as it is, on the principle of progressive Community.

To prevent such a state of things, God, who has bestowed on all His creatures heat, light, gravitation, air, water, the soil, vegetable life, electricity, and countless other benefits beyond human power to enumerate,—Who has placed in the human breast the feeling of *personal interest*, which, like a magnet, attracts everything to itself,—has placed also in the bosom of society another spring of action, which He has charged with the care of preserving to His benefits their original destination, which was, that they should be gratuitous and common. This spring of action is Competition. "Thus," as Bastiat says, "Personal Interest is that irrepressible force belonging to the individual which urges on to progress and discovery, which spurs us on to exertion, but leads also to monopoly. Competition is that force belonging to the species which is not less irrepressible, and which snatches progress, as it is realized, from individual hands, and makes it the common inheritance of the great family of mankind. These two forces, in each of which, considered individually, we might find something to blame, thus constitute Social Harmony, by the play of their combinations, when regarded in conjunction."

But, as Bastiat goes on to observe;—"As regards remuneration, there is a third circumstance which favors a man, or a class of men, namely, the possession of *Capital*.

The man who has in his hands the tools necessary for labor, the materials to work upon, and the provisions for his subsistence during the operation, is in a situation to determine his own remuneration. The principle of this is equitable, for capital is only anterior labor which has not yet been remunerated. The Capitalist is in a good position to impose terms; but, even when free from Competition, there is a limit which his demands can never exceed—this limit is the point at which his remuneration would absorb all the advantages of the service which he renders. In these circumstances it is unreasonable to talk, as is often done, of the *tyranny of capital,* seeing that, even in the most extreme cases, neither its presence nor its absence can injure the condition of the laborer. All that the Capitalist can say is: "Would you profit by my labor—I set such a price upon it; if you find it too high, do as you have done hitherto—do without it."

Competition, therefore, takes place among capitalists; and, like tools and other materials, capital is useful only when employed. There is an emulation among Capitalists to find employment for their capital, as there is among Workmen to find employment for their labor with the aid of tools and other materials. All that this emulation, or competition, forces them to abate from the extreme demand which they might otherwise make, is so much clear profit, or gain, for the consumer, that is to say, mankind.

It is clear, however, that this gain can never be *absolutely gratuitous;* for, since the capital represents labor, capital must always possess in itself the principle of remuneration.

And, therefore, it is clear that, it is as unwise and impolitic to tax the capitalist in his own capital, as to tax the laborer in his own labor; or, to tax capital and labor, *as such.*

Now, as all capital is only the accumulated savings of labor, or efforts, or services, which have not yet been remunerated, and as value exists only in efforts, or services, and becomes ascertained and realised only by interchange, it is manifest that, to diminish that value before it is realised, by taxation or otherwise, is to destroy value at its very source, and thereby to diminish the productive power, or source of all wealth,—as well as to derange that equilibrium which is preserved by Competition;—already shown to be essential for the prevention of excessive remuneration;—for, in the absence of Competition, there must be Monopoly, and the more Competition is limited, the nearer must be the approach to Monopoly. Thus, if the profits from the employment of capital be reduced so low as to leave nothing for remunerating the labor or effort, the capital, if not lost in the attempt to gain remuneration, must be withdrawn, and the further attempt be discontinued; and the same effect must follow if, by taxation or other means, the remuneration be inadequate to the labor or effort required. Hence it is obvious that, to tax capital and labor employed in production, before the remuneration, in the profit, is realised, must tend to drive away capital, and to throw out of such employment so much capital and labor. The small capitalists must withdraw, and leave in possession the larger capitalists, and the demand for labor being thereby diminished,—the wages of labor must fall. Here Competition is reduced, and the larger capitalists, availing themselves of the unequal balance which Competition alone preserves, remain and take advantage of the nearer approach to monopoly, by lowering the rate of wages, and raising their own profits.

This state of things could never happen, or could never long endure, if the natural law were allowed free exercise, for Competition would always come in to preserve the just equilibrium, and capital and labor,

with equal industry and skill, would meet with their just and proportionate reward. The gratuitous services of nature being given equally to all, the just equilibrium can be disturbed only by artificial impediments which are not thrown equally in the way of all, and never can be.

Under free Competition, men cannot long receive an exceptional remuneration for the cooperation of *natural forces*. This proves that efforts have a tendency to be exchanged on a footing of equality, or, in other words, that value tends to become proportionate to labor; and as all classes are consumers, it is the community which reaps ultimately the benefits of Competition. So, therefore, everybody, or the community, suffers when the equilibrium of Competition is annihilated, or disturbed, and in proportion to the disturbance.

To this disturbance by unjust and impolitic taxation is owing all the outcry which is heard against Capitalists, who are thus made, by this artificial means, more or less monopolists; and hence arises all the conflicts between laborers and their employers, in which it is very obvious that the employers must prevail, as long as the laws restrict and limit free Competition, by taxing the laborer in his own labor, and making him pay the tax in an increased price for all the necessaries and comforts of life. As long as this system is continued, it is impossible that Competition should be free. It is impossible that small Capitalists should successfully compete with large Capitalists. The smaller must be forced into associated bodies, in order to compete successfully with the larger. The more numerous, but, individually, weaker classes, must be forced into combinations for their own self-defence. This is an evil state of things, but it is the necessary consequence of those unjust laws which tax the wages of labor, and the profits of trade, or, in other words, which disturb the equilibrium of free Competition.

tion, by giving undue favor to Capital, at the cost of that labor and skill by which all capital is created.

Now, it is objected that, the taxation of realised property, as here proposed, favors Capital invested in trade, to the prejudice of Capital invested in land, and tends to destroy that equilibrium of Competition which is so essential for the protection of all property and the interests of society. But it will be seen, from the foregoing observations that, there is no ground for this objection, and that the contrary effect must be a necessary consequence.

By imposing a tax on Capital invested in trade, whether that tax be an Income Tax, or a Customs or Excise Duty, it must diminish profits to, at least, the amount so taken, and must also, to that extent, diminish Competition, and depress trade, and every depression of Trade must react on land, to the depression of Agriculture.

The home market, which must always be the best market, must be the first to suffer, and must suffer most from that depression.

If trade be carried on without profit, the Capital employed in that trade is lost, or, at least, is rendered comparatively useless whilst so employed, and is ultimately taken out to be otherwise, and profitably employed.

By this operation the trade is left in fewer hands, and Competition is diminished. Increased prices may then bring profits, and increased profits may then bring more Capital into the trade, but this will be the Capital of larger Capitalists, and the trade will then be in fewer hands, the smaller Capitalists being excluded, or driven out. Thus, the inevitable consequence of taxing trade, in whatever form, is to impede the action of that natural law before referred to, by an artificial impediment, and the salutary protecting power of Competition is weakened.

The truth of this reasoning is strikingly illustrated in the trade of Copper smelting which, in this country, is very nearly a monopoly, being in the hands of about half-a-dozen great Capitalists.

The Brewers furnish another apt illustration, for no one can doubt that, if every person were free to brew Beer, without any tax on the articles used, the Competition in this trade would be much greater than [illegible].

It is not denied that, the tendency of [illegible] to create monopoly,—but this would be [illegible] were left open to free Competition, [illegible] free from every tax and other artificial [illegible] monopoly could never exist. The [illegible] would prevent that, and the profits of the trade would regulate the quantity of Capital invested in the [illegible].

So intimately connected are the interests of trade and agriculture that they may be taken as [illegible] for all experience shows that a state of prosperity or depression in the one, is the same in the other.

It, therefore, can need no words to prove that [illegible] lieving trade from all taxes, or other [illegible] pediments, no injury can thereby be inflicted on [illegible].

As far as experience goes, it is [illegible] and no further examples can be wanted than [illegible] already afforded in the repeal of the [illegible] those Customs and Excise duties [illegible] mitted.

It is now a fact, too notorious [illegible] to question, that since the removal of [illegible] to trade, agriculture has improved [illegible] improvement in trade, and the prosperity [illegible] greatly throughout the kingdom.

The removal of the artificial [illegible] increased profits, and bringing [illegible] Competition. The improvement [illegible] the demand for labor, and the [illegible]

raised the wages of labor. The improved condition of the laboring classes has increased the demand for the produce of land. This increased demand has improved the home market for all the produce of land, and Competition with Foreign markets has preserved the just equilibrium by retaining the local advantages of the home market over the foreign, and still protecting the Consumers from exorbitant demands of the producers; whilst the pressure of Competition, of the foreign producer, has forced the home producer to bring to his aid more capital, higher skill, and greater industry.

But there has been another consequence. The Merchant, the Manufacturer, and the Tradesman, has sought other investment than trade for his surplus capital:—he has purchased land, and become a lord of the soil; he has relieved the spendthrift land-lord of his debts and his land, or he has bribed the owner, by a high price, to deliver over the old Family Estate, and has taken his place. The merchant-prince, the successful tradesman, or the cotton lord, has become the lord of the land, and the new landlord, with more capital, has renewed the vigor of the land. The capital of the country has increased, and the price of land throughout the country has risen.

If such have been the results of the partial removal of obstacles, what may be expected from the absolute and immediate removal of all impediments and obstructions as here proposed?

That no additional burden is thereby thrown on land has been already shown, and will be further shown in these pages. But this is another question. In answer to the objection now under consideration, it is sufficient to show that, the tendency of the proposed scheme of taxation must be, to increase, and not to diminish, Competition; and the same principle being applied to land, and to all other realised property, the same effects must

follow, equally to all. But this will be further in considering and answering other objections.

EQUALIZATION.

The close observer of the great laws of nature-he regards them as they are in themselves—whe act without impediment, and free from any distu of their action by human error and violence,—m struck with this as the definite result of the ar ments of Providence—"The constant approxima all men towards a level which is always rising."

This we call 'Progress,' or 'Improvement.' we will now call 'EQUALIZATION;' and like th tronomer who regards the planetary movements, Physiologist who contemplates the structure and ar ments of the human organs,—we may say—"*J Dei est hic!*"

The gratuitous services of Nature, we know, are equally to all, and when all make equally good them, we may suppose, all will then equally enjoy but never before.

This is the Equalization of Nature, impeded an great extent, counteracted by human intervention.

Nature's gratuitous services are given equally but, being gratuitous, nothing is, or ever can be, in exchange for them; and as *value* arises only fro change of services, Nature's gratuitous services are value, and never can be of any.

These services are *utilities*, but only when mad ful by appropriation.

Air, light, water, gravitation, electricity, etc utilities when used, but, though essential for our tence, we give nothing in exchange for them, an have no value. The water, if we can never obtai

even of no utility to us. The service is rendered by bringing the water to us, and in this service, if received in exchange for another, is the value. The service is rendered by human efforts, and may be rendered gratuitously, in which case, however great the service, there is no value; for, without exchange of services there can be no value. Our own efforts may bring the water to us, and in that case we avail ourselves of the gratuitous service of nature, for which nothing can be given in return, and there can be no value; or, another's efforts may bring the water to us in exchange for something else, and that exchange of services creates value. In the one case, there is no exchange of services, and no value, but simply one's own efforts, in taking the gratuitous service of nature, for the gratification of one's own want; in the other case, there is another's efforts in exchange for something else, and there is value acknowledged and remunerated; in both cases the gratuitous utility of nature is appropriated without anything given in return, and when the service is rendered in exchange for another, it becomes a service of value.

Therefore, as Bastiat says:—"Every man enjoys GRATUITOUSLY all the utilities furnished or created by nature, on condition of taking the trouble to appropriate them, or of returning an equivalent service to those who render him the service of taking that trouble for him."

Even the air we breathe ceases to be of service to us when we cease to respire it. In the midst of the most fertile soil, with every advantage of climate, without human efforts acting in concurrence with the gratuitous utilities of nature, we should derive no service, and starvation must ensue. In common language, it would be said by metonymy—Such a quantity of land *is worth* such a quantity of gold, as if the value had passed physically into these bodies. But it is easy to see that, if the common form of expression enable us to state the

results, the scientific expression alone reveals to us the true causes.

Thus, we may see, Nature gives freely and equally to all. But here equality begins and ends. The gifts of Nature, though equal to all, are of no value to any. As the race is to the swift, and the battle to the strong, so is the value of services. Nature has given no equality here. Why, then, should man look for equality where Nature has never given it, and, clearly, never intended it? Why should man seek to obtain *by force*, more than Nature has given? What right have men to impose upon each other anything, *by force*,—but *Justice?* The right to force a man to be just is the right of legitimate defence. Now, individuals in the aggregate can possess no right which did not pre-exist in individuals as such. If, then, the employment of individual force be justified only by legitimate defence, the fact that, the action of government is always manifested by force, should lead us to conclude that, it is essentially limited to the maintenance of order, security, and justice.

As said by Bastiat:—"All action of governments beyond this limit is a usurpation upon conscience, upon intelligence, upon industry; in a word, upon human Liberty."

The liberty of labor to each and every man, implies the liberty to enjoy the fruits of his own labor. To deprive him of any part of the fruits of his own labor, is to deprive him of the liberty of labor, or to make him a slave. If it be right to deprive him of part, it may be right to deprive him of all. But it must be shown to be just, before it can be proved to be right, to deprive him of any.

Now, all Governments exercise this right by force, but no Government has ever shown that it is just, or even necessary, or expedient. The present object is to show that, this is unjust, unnecessary, and inexpedient.

It has been already shown to be contrary to, and quite inconsistent with, the great Providential laws—quite incompatible with those gratuitous services of Nature which are given equally to all, and without which human beings could not exist.

If it be right to deprive the laborer of the fruits of his labor, or, in any manner to diminish his remuneration, the natural law is reversed. The race is to the slow, and the battle is to the weak, if one man is to work that another may sit idle; or, if a deficiency in the exertions of the one is to be made up by the efforts of the other.

This is reversing the law of Nature, but this is what all human Governments are doing; and through this arbitrary, unjust, and despotic, interference with natural rights, has arisen all the outcry for Liberty and Equality, Equal division of Property, and the Rights of Man; which, if carried out in practice, must restore man to his original state of nature, as still seen in the savage tribes, where all property is in common, except that which is taken by superior brute force.

The Socialists and other advocates of Communism are, therefore, advocates (quite unintentionally) of a return to the savage state of nature; but this is hardly a greater absurdity than the false principle of Governments which has instigated such absurdity.

The miserable visionaries and the unjust rulers are equally in the wrong; but the former may be simply weak, and the latter wilfully wicked, as is, probably, the case with most of them.

It is scarcely possible to imagine that the Government of any civilised country, in these days, can be ignorant of the wrong in imposing the great burden of taxation on the working classes, by taxing the laborer in his own labor; the very argument by which this is attempted to be supported admits the wrong, and confesses the fraud; it is avowedly done to cheat the laborer, for the benefit

of the capitalist, and this is continued to be done, although it has been shown over and over again by unanswerable argument and conclusive evidence, that, to cheat the laborer does not benefit the capitalist, but, on the contrary, injures both, and inflicts the deepest injury on society at large;—still this wrong-doing is persisted in, and millions, raised by compulsory laws and appeals to benevolence, are wasted every year in vain endeavours to mitigate the misery thus created.

Here we have the Equalization of Nature counteracted by the folly and selfish wickedness of men, and those gratuitous services of Nature, which were intended equally for all, are made the means for enslaving, and embittering the existence of, the greatest portion, and most deserving, of mankind; for, it is, undoubtedly, the misery of man which makes the greatest portion of his guilt. And this must ever be so, as long as human laws conflict with those of nature.

It is the abundance of the world, in the midst of so much human destitution,—it is the sight of this frightful inequality of distribution, which drives men mad. No wonder that they cry out for a more equal distribution—no wonder that we hear the cry,—"*La propriété c'est le vol.*"

The wonder is, that men submit to see the fruits of their own labor snatched away from them by the tax-gatherer, when they see their own children half-starved, and are themselves driven to drunken desperation by the wretchedness which surrounds them, and the absence of all hope before them.

There will never be any want of fools and knaves to aggravate this frenzy of despair with their visionary schemes and traitorous designs; but not by these means will the remedy for evil legislation be provided, nor by Education and Religious instruction, nor by public bounties and private charities, and, least of all, by coercive

legislation. Justice alone will be the remedy, and that will be in leaving the laborer free to enjoy the fruits of his own labor.

That is the object of the Scheme of Taxation here proposed.

Now, how does this disturb, or conflict with, that Equalization which we see in the gratuitous services of Nature?

And why should not human laws be made so as to act in unison with the great laws of nature, and thus far, at least, satisfy the natural and necessary wants of the human race?

Why should not those who, by their own efforts, appropriate the gratuitous services of nature, enjoy the benefits?

Why should they be forced to surrender to the State, or to individuals, any portion of the benefits so derived, without receiving an equivalent service in return?

Why should they be taxed in their own labor, for the benefit of the State, beyond any benefit conferred on them by the State?

Why should they be taxed in their own labour, to relieve the Capital which is created by their labor?

It is for those who advocate taxing the laborer in his own labor, to answer these questions.

But what if this be shown to be injurious to the State, and to the Capitalist?

What if it be shown to be for the true interests of the State, and the Owners of Property, to leave the laborer untaxed in his own labor, and to leave untaxed all property until it has realised the profits produced by the labor?

All this is shown in these pages.

What then is to be said in favor of the present system of Taxation?

What is to be said in favor of those human laws,

shown to be unequal and unjust, acting in direct an
gonism with the beneficent laws of nature, known to
equal and just?

If necessity and expediency be the answer, then
laws of nature must be unsuitable and unwise!

But let us inquire into the necessity and expedie
of disturbing the natural law of Equalization.

It is a common saying that, principles, correct
theory, are inapplicable in practice, to the artifi
state of Governments and Society as existing; and t
a change, from a bad system to a better, may create
much disturbance as to be attended with inconvenien
which no benefits to be expected can compensate.

This is an allegation without proof, and incapable
proof. A certain amount of inconvenience may, a
generally does, attend upon every great change; bu
the benefits do not exceed the inconvenience of
change, that is conclusive evidence that there is so
thing wrong in the principle, or in the manner of ca
ing it out in the change.

If the principle, and the manner of carrying it out
correct, the change must be as certain of benefit, as
the formation of a railway, the removal of natural
stacles must repay the labor required for their remo
If not, there must have been something incorrect in
principle, or some error in the calculation of profit a
loss.

In the case of a railway these are questions only
engineering skill, and calculation in figures. Those w
have to determine these questions are guided by
known laws of nature, aided by experience. If skil
they calculate on the result with confidence. They
not deterred by the magnitude of the undertaking,
by the quantity of labor, or the amount of temporary
convenience to be endured. They regard the prospec
gain, and they look to the question,—'Will it pay?'

If they see that it will pay, they do it. They do it all, and they do it all at once. They see that it will pay when so done, but not otherwise.

To make it pay, all must be done, and all at the same time. The inconvenience of doing it, being only temporary, does not count for much. They avail themselves of the gratuitous services of nature, and they appropriate them. They remove obstacles, and thereby equalize the way for all. They confer services from a new source, and they exchange these services for other services; they create value where no value was before; they increase the capital of the country.

This we will suppose to be the calculation, and the result of every railway in the kingdom.

Now, let the same sort of calculation be made for the proposed change in our system of Taxation.

In this case, the calculation is of a more abstract, and, perhaps, of a more complex, nature. But the object is a much higher one—higher in its nature, and greater in its consequences.

Those who have to determine this question may also be guided by the known laws of nature, aided by experience. If Statesmen, they also may calculate on the result with confidence. They will not be deterred by the magnitude of the change; they will count the cost, and take into account the temporary inconvenience to be endured; they will regard the prospective gain, and look to the question,—'Will it pay?'

If they be Statesmen, they will see that it must pay, and they will do it. But they will see that, to make it pay, they must do it all at once.

They will see that the benefit will then be great to all, and that the inconvenience, which will be only temporary, will be confined to a comparatively few. They will avail themselves of the gratuitous services of nature, and [illegible] them to be appropriated more largely than they

have ever been before. They will remove obstacles, and thereby equalize the way for all. They will set labor free, and thereby enlarge the source of all services, and all property. They will create value where no value was before. They will increase the Capital of the country, and distribute it more equally throughout the country. They will increase industry, prosperity, and happiness, —and they will diminish pauperism, guilt, and wretchedness.

This is the Equalization to which Nature points. *Digitus Dei est hic.*

How all this is to be brought about is shown in detail in these pages.

TAXATION, DIRECT AND INDIRECT.

We will now come to the more practical objections, by examining the comparative advantages and disadvantages of Direct and Indirect Taxation.

As the principal advocate for Indirect against Direct Taxation,—and the one most worthy of being answered, —is the Writer of the Article, entitled "British Taxation," which appeared in the 'Edinburgh Review' of January 1860, the following observations will be directed chiefly in answer to the opinions of that Writer, who, from his high position in the State, is entitled to respectful consideration, whatever may be thought of his arguments, and of his manner of using them.

The advocate of the "ingenious plan of concealment," before quoted, describes a tax "to be *direct* when it is immediately taken from property, or labor; and *indirect* when it is taken from them by making their owners pay for liberty to use certain articles, or to exercise certain privileges."

Accepting this definition, let us now follow it throughout.

Passing over some less practical remarks,—which the Writer of these pages has already answered elsewhere,—the Edinburgh Reviewer next proceeds to the inquiry of the Cost of Collection, and he gives a Table, "as obtained from official returns of the cost of levying the direct and indirect taxes of America, France, and England."

The lowest factor for the cost of collection of taxes in that Table is, 2·87 for Direct Taxes in England, in 1859.

And yet he says that, others can be collected more cheaply! He says this immediately afterwards in the following sentence:—"The Customs revenue of this country is, or may be, collected at a cheaper rate per cent. than the same twenty-three millions could be obtained by any other equitable, or endurable, process of direct taxation."

The reviewer then goes into a great deal of explanation, and a great many figures, to prove that the Preventive Service, or Coast Guard, which, in 1856, cost £428,000, "might, it is believed by those best qualified to form an opinion, be carried out at a maximum expense of £150,000 per annum; and, therefore, it is the smaller sum only that can *equitably* be added to the charges for Collecting the Customs."

How far this is an *equitably* drawn conclusion we leave the reader to judge for himself, having only to say that, if taxes might be diminished, Financial Reformers would not object to their diminution.

The reviewer then proceeds to strike out from the "*Cost of collecting the Customs revenue,*" various large sums of money, actually paid, "yet in no way necessarily connected with, or belonging to the collection of the revenue;" and more properly coming under the head of "*extraneous and miscellaneous functions,* connected with statistics, light-dues, and the working of the Merchant Shipping Act; and the whole cost of the *bonding* or *warehousing* department."

With deference to this high authority, we should hold these charges as part of the "Cost of collecting the Customs revenue," as long as the Customs revenue cannot be, in fact, collected without them. If no Customs duties were collected, there would be no need of the *bonding* or *warehousing* department.

Again—the reviewer says:—"We must throw out such duties as are collected at an expense out of all proportion to their produce—all such as yield little, and cost much. In a word, we must reduce the tariff to its most purely profitable dimensions; and ascertaining, as far as possible, what would be the actual cost of collection, if no articles were placed in the tariff, except in the interest of the revenue alone, and if none but fiscal considerations were allowed to intervene."

This only shows that the cost of collecting the Customs duties would be less, if they were diminished by a freeing of goods from the tariff. We all know that. If the reviewer think it would be a good to lessen the traffic taxes, he is of the same mind as the Financial Reformers whom he is abusing for saying so, and who would abolish all of them for a Property Tax.

The reviewer next invites his readers to "devote a few minutes to a consideration of the probable cost of levying an equal amount of revenue in an equitable form by direct taxation. . . . First it is obvious that, *cæteris paribus*, the cost of levying any direct impost will vary inversely according to the number of persons on whom it is levied, and the largeness of the sums in which it is levied. In other words, it will be much cheaper to levy twenty millions from one million of tax-payers, than from thirty millions—if it can be done at all."

We accept this admission of a very obvious fact, and as no insignificant admission in favor of *direct* taxation.

The reviewer then says:—"If we confine our attention to the income tax alone, we find that the rate per

cent. at which it was collected during the Napoleonic wars varied from two to three per cent., averaging *two and a half*. Since its re-imposition by Sir Robert Peel, the rate has ranged from £1. 16*s*. 11*d*. up to £3. 3*s*. 5*d*. per cent. If, on the other hand, we inquire into the cost of collecting the direct taxes before the income tax was imposed, we shall find that from 1839 to 1841 inclusive, it averaged £4. 11*s*. 10*d*., or about 4*s*. 6*d*. per cent. These results certainly would not encourage us to hope that a system of direct taxation levied equitably on the entire population, whatever form it might take, would be a very cheap fiscal device."

In answer, we will only say:—Look back to your own Table before given, and you will see that, in 1859, the factor of cost, for collecting the direct taxes, was the lowest.

We do not know what is the real factor for the collection of the Income Tax; but if it be less than that for the collection of indirect taxes (of which there can be, or ought to be, no doubt,) it is so far a witness for the cheapness of the collection of a Property Tax.

In connexion with the reviewer's last sentence, his very next is too remarkable to be passed over unnoticed. He says:—"Observe, we do not for a moment mean to deny that a revenue derived *solely* from a tax on the income of real and personal property, might not be collected at a comparatively low rate (say two per cent.) if Statesmen could be found dishonest and impolitic enough to propose, and a Legislature self-denying, and short-sighted, enough to sanction such a fiscal system."

Then the reviewer does not deny what the Financial Reformers affirm.

The reviewer sums up thus:—

"That a judicious system of direct taxation costs more in charges of collection, than an equitable system of direct taxation, we hold, then, to be entirely disproved."

"A judicious system!" We would ask—Is the judicious system of your thought the present one, or some other to which you think a greater off-leaving of indirect taxation may lead us?

Financial Reformers do not think any indirect taxation *judicious*.

Again:—"That no objections can be brought against Customs and Excise duties which in some degree must be admitted as a set-off against their obvious and manifold advantages, we are by no means prepared to assert.

Fiscal imports are always burdensome, always vexatious, and almost always mischievous; in their best estate they are only necessary evils; and a choice among objectionable expedients is all that fate leaves to the wisest and blandest Chancellor of the Exchequer."

This is another concession to Financial Reformers.

Again:—"The time was, no doubt, when restrictions on trade, and on the production of excisable articles, were so numerous and so unwise as materially to cramp enterprise, and interfere with ingenuity; but since 1842, the Government has been on its guard against *this danger*, and will shortly, we hope, cease to be true in any degree whatever."

Here we would ask—What danger? Is it the danger of some kinds of indirect taxes?

The reviewer so often yields half his ground to the Financial Reformers that, he seems to feel himself to be half beaten.

And thus he concludes on this head:—

"The marvellous expansion of our commerce, both inwards and outwards, during the last fifteen years, shows conclusively, at least, that no fiscal impediments can have operated to prevent that expansion. Nor, we are certain, used they ever do so, where the duties are moderate, and the collection of them is hampered by no needless or cumbersome formalities."

The expansion of a trade against hindrances is no measure of its expansion as freed from them. The making of glass expanded under the duty on glass, but its expansion then was very little to its sudden burst of expansion when it was freed from the Excise Officer.

"Our argument," says the reviewer,—"is that, while the drawbacks on indirect taxes are enormously overstated by the 'Financial Reformers,' their counterbalancing recommendations are entirely overlooked, or *audaciously* denied."

In the next sentence, we have this not unimportant, though qualified, admission:—

"That indirect imposts act injuriously in hampering commerce and manufactures is true only where these imposts are injudiciously chosen, or clumsily levied. At least, we may safely make this assertion as far as impost duties are concerned."

We accept this admission, and shall show that these imports are always injudiciously chosen, and clumsily levied.

The next admission is still more important:—

"That indirect imposts—and Customs duties among them—are in one respect more costly than direct ones, we freely admit. They involve to the ultimate consumer not only an enhancement of price equivalent to the duty, but to the duty augmented by the profit chargeable on that part of the merchant's and tradesman's capital which is employed in advancing the duty. That is to say, if an article is worth £100, and is charged with a duty of 10 per cent., the merchant, who in the first instance pays that duty, must recover his profit out of the consumer, not on the £100, but on £110; and all tradesmen, through whose hands the article subsequently passes, must do the same. The extent of the indirect burden thus laid upon the capital of the country is variously estimated by different writers, and in our opinion is erroneously overstated by most. Sismondi

puts a case in which this burden *might* reach 70 per cent.! Ricardo appears to have estimated it at 10 per cent. Mr. Greg, in his "Essay on the Principles of Taxation," calculates it to vary from 1¼ to 5 per cent. One of the tracts issued by the Liverpool Financial Reformers, calls it roundly 25 per cent.; while the "People's Blue Book" puts it down at the sum of £10,211,483 a year."

Any one reading this would suppose that there was some great difference between the Liverpool Financial Reformers, and the Author of the "People's Blue Book." And yet, here is no difference at all! The figures given from the "People's Blue Book" are *precisely* 25 per cent. on £40,845,935, the net amount of the Customs and Excise duties for the year ending 31st March, 1856.

What was the reviewer's motive—why he did not, as in the other instances, give the percentage, instead of these alarming eight figures in a row, mounting into the tens of millions, the reader may judge for himself, but this does look rather "audacious."

He then goes on to say:—"These widely divergent estimates suffice to show how little reliance can be placed on any which claim to be precise."

Now, it is evident that these estimates are not widely divergent, or at all divergent.

If the three first of the before-mentioned authorities be confined to the Customs' duties alone, in exclusion of the duties of Excise, which is the natural interpretation of the text, it is not unreasonable to suppose that their calculations are confined to the cost of the Custom duties. Now, in this view, seeing that the Customs were in the proportion of 23.2 to the Excise 17.6, and seeing that the reviewer admits the cost of Excise to be by much the most ugly question of the two, (so much so, indeed, that he declines to undertake its defence,) it may not be unreasonable to suppose that these three first-

named authorities would have estimated the cost of Excise as, at least, equal to that of Customs. How, then, would the case stand, on the reviewer's own showing, for the cost of Customs and Excise together?

As this is a question of amount in simple numerals, the reviewer,—who seems to be but a poor hand at figures,—will, perhaps, have no difficulty in following it.

The calculation would stand thus:—

Sismondi	140	per cent.
Ricardo	20	„
Greg	2½ to 10	„

And for the two last, now beyond dispute:—

The Liverpool Financial Reformers	25	per cent.
The Author of "The People's Blue Book"	25	„

Such appears to be the true state of the case. If so, the preponderance of authority—without presumption—may be said to be in favor of the higher estimate. But, be this as it may, the question is still substantially the same:—Is 25 per cent. too high an estimate for the "Extra Profit to Traders for advance of Customs and Excise duties?" Or, is "the extent of the indirect burden thus laid upon the capital of the country enormously overstated"—or, at all overstated?

Let us examine a little further into this question.

Rather more than one-half of the whole of the Customs duties is advanced by the Grocers; pretty good evidence this, that these duties cannot be, as said to be, an equal tax on all classes.

The net revenue of the Customs to 31st March, 1859, was £23,923,015. Of this sum the Grocers advanced, £12,364,349. For the advance of this capital, loss of interest, and risk of collection, is it too much to set down 10 per cent.? Is it a fact, as asserted by the reviewer, that "importers now scarcely ever pay duty till

they have secured a customer for their goods?" Is this "especially the case with high-duty goods, such as tea, which often pays duty on one chest at a time, as the grocer happens to want it"? Is this the way that Messrs. Joseph Travers and Sons, and other great wholesale dealers, distribute the vast supplies amongst the retail dealers of this country? Does the reviewer, who makes this assertion, himself believe it?

However, the fact is notoriously otherwise. A few private individuals, or small retail dealers, may occasionally take out their single chest of tea, but not in this way do the great wholesale dealers carry on their trade, and through them do most, and nearly all, of the retail dealers in Town and Country derive their supplies for the service of their customers. And who are the chief customers of the retail dealers? Who but the millions of the working classes, and the poor, down to the poorest of the poor? If 10 per cent. be not too much for the wholesale dealer's first advance of capital to cover loss of interest, cost of collection, and bad debts, is this too much for the retail dealer's second advance of capital to cover the same occurred by him?

Is it enough for this second advance? Is the cost of collection, and the risk of bad debts the same in the second case, as in the first? Is not this cost and risk more than twice as great in the second case? Do not the retail dealers provide for this by an additional charge of 15, or 20 per cent., and to their poorer customers, 25 or 30 per cent., and by mixing teas of different qualities —sometimes making worse mixtures than that, and sometimes giving short weight?

Does the reviewer who has so confidently denied this charge of 10 per cent. for Extra Costs on Customs Duties, and who has presumed to call those *audacious* who maintain it—does he himself believe that they have overstated it?

As the reviewer prudently avoids the additional direct and indirect cost of Customs and Excise, under the various heads of Superannuation, and Compensation Allowances, and Pensions, Allowances, Drawbacks, Frauds, and Negligences, Prosecutions for Smuggling, Adulterations, and other breaches of the Revenue Laws, and Expenses of Maintaining Persons convicted, Augmentation of Poor-Rates, Loss and Injury to the Trade and Manufactures of the Country, and Loss and Injury to the Landed Property and Houses of the Kingdom—as he has touched but very slightly on some of these, and not at all on others, although these constitute the chief cost of, and, in the reviewer's summing up, the chief charges against, this system, we shall not here pursue the inquiry into all these ramifications,—a work of research and labor already done in the very useful Tracts published by the Liverpool Reform Association, and in the former Editions of the "People's Blue Book."

From this will be seen the correctness of "the assertion that Customs and Excise Duties cost more to collect than equal amounts equitably levied by direct taxation;" and "that the pecuniary burden of these duties is materially enhanced by the extra profit charged by the importing merchant, or the original manufacturer, and by all subsequent distributors."

"But," says the reviewer, "these gentlemen, (the Financial Reformers) appear to us, in all their arguments, to fall into one capital and fatal error. They fix their exclusive attention on *one* attribute of taxation, and neglect other and more important attributes. In their estimates the cheapest impost is the best:—*Cæteris paribus*,—that is, the pressure on the various classes of the community being equal,—that form of taxation which takes least out of the pocket of the tax-payer in proportion to the amount paid into the Exchequer, carries its own paramount recommendation with it, and is to be

preferred to all others. Now, this, we hold to be an unquestionable fallacy."

The Financial Reformers hold this to be an unquestionable truth. They say, the tax with all these attributes, and under the condition given, *must be the best.*

Now, let us examine this position, for, on this much depends.

The reviewer says:—"A costly tax is an objectionable one, because it robs the tax-payer needlessly, and therefore does him an injury, and an injustice."

And then he adds:—"But a man may be injured otherwise than in his purse, and may be injured much more seriously than by any mere pecuniary mulct. He may be injured in his convenience; he may be injured in his feelings; he may be injured in his temper."

The State wants £20 from him.

"This," say the Financial Reformers, "it can obtain under a direct levy, by taking from him £20. 5*s.*; whereas, if you get it by indirect taxation you must take from him £21, or £22—clearly, therefore, the former is the only right mode."

"But what if he be called upon to pay the £20. 5*s.* at a very inconvenient time, in a very peremptory manner, in a large sum, in an undisguised and offensively ostensible form,—while the £21 or £22 he pays just when he pleases, in as small sums as he pleases, and,—what is still more to the purpose,—without being aware that he is paying a tax at all? What if,—instead of being irritated beyond endurance by the quarterly visits of the tax-gatherer,—always sure to be as ill-timed as possible, or to appear so—he never sees the face of that obnoxious functionary from the cradle to the grave?"

No bad bit of prudent humanity. Men who would take the tax-payer's £21, or £22, while he is under the narcotic effect of beer, or tobacco, and not aware that he is paying a tax at all, no sooner hear reformers talk

of asking him openly for his money, than they are fearful he may be "injured in his feelings, or temper," and "irritated beyond endurance."

We think, however, that the man who has not been irritated by the call for income-tax,—a tax on the strokes of his weary arm, and the throbs of his hard-worked brain,—will not be irritated by a tax on his property, which yields him income without toil.

We agree that, "a costly tax is an objectionable one, because it robs the tax-payer needlessly, and therefore does him an injury and injustice."

We agree that "a man may be injured otherwise than in his purse, and may be injured much more seriously than by any pecuniary mulct. He may be injured in his convenience; he may be injured in his feelings; he may be injured in his temper."

But we do not see why his payments of a direct and certain fixed tax, on four certain fixed days in the year, should any more interfere with his convenience, his feelings, or his temper, than his quarterly payments of Rent in the year.

We cannot believe of the most ignorant person that, if the choice were offered to him of paying 5 or 10 per cent. addition to his rent, for the liberty of making each quarterly payment at his convenience within the year, he would accept the accommodation on such terms.

It is found from experience, that persons, even the poorest, who have their rent to pay on a certain day, and know that it must be paid, or that they must take the consequence, generally manage to pay it, and for that purpose, if necessary, make preparations long before.

And so it would be with a direct tax. The day of payment would be to them like their rent-day. They would prepare for it, and they would be much better prepared for it than they now are. It would be neither "*torn*" from him in the one way, nor *stolen* from him in

the other; but would be cheerfully paid by the working-man when he was enjoying the full wages of his labor, and the necessaries and comforts of life at prices from 100 to 500 per cent. less than he is now paying for them.

What, if the working men and women of this country should prefer having their wages free from deductions for any taxes on property? What, if they should prefer being able to buy all that their wages will purchase, at the market price, free from enhancement by Customs and Excise duties?—" as every man of common sense unquestionably will."

"Clearly, money is valuable only inasmuch as it can purchase the good things of life;" and, clearly, therefore, it is a fraud on the working-man to prevent him from purchasing with the wages of his own labor, "the good things of life" at the fair market price.

"Clearly, freedom from periodical irritation is one of the best of these good things; and, clearly, therefore, it is worth while" for every man to pay something every "year to the State for protection, security, and justice." That will go far to bring peace. There will still be people who will always find something to quarrel about; but for "a calm temper and unblaspheming tongue," there would be nothing like the immediate abolition of all Customs and Excise duties. If any should feel a doubt about the quantity of blasphemy to be removed by this simple means, let them make themselves familiar with the process of passing persons and goods through the Custom House; and, for the Excise, let them only visit the Hop Grounds at the picking season, and the Malting Houses at the malting times; and, if they have the courage, let them witness the run of a cargo some dark night on the solitary sea-shore. They will then be better able to form a conception of what is now going on in blasphemy day and night throughout this Christian Land, especially under interruptions.

They will also then be able to form a more correct conception of what is going on in the way of perjury. It is, indeed, as the reviewer says—"worth while to pay 20*s*. more for peace—a calm temper, and an unblaspheming tongue." Whilst writing this, the blasphemy and perjury in the Hop Grounds is being removed to the public and private breweries. The exciseman, it seems, is now to be admitted into private dwelling houses, as well as into the Brewers' yards! It would have been better to have confined them to the Malting Houses, where they have been long established, if a diminution in the sum total of blasphemy and perjury were desired.

We now come to another objection, in which the reviewer evidently seeks shelter under the broad shadow of his own admission. There is so much truth in what he says here, that in justice to him we must give the whole in his own words,—and here they are:—

"Strong objections are urged against these Customs and Excise duties on another ground—the irresistible temptations and opportunities which, it is alleged, they offer to fraud and evasion. The impeachment must be admitted: as long as these duties exist there will be attempts, and successful attempts, at smuggling, and illicit distillation. But the objection applies—and probably with equal force—to all species of taxation. Payments to the revenue, however levied, will always be evaded when evasion is possible; and fraud, lying, and concealment, with all their demoralizing consequences, will result. Even now, the dishonest practices, stimulated by Schedule D, and the legacy and probate duties are formidable items of comparison to set against the violations of Excise and Customs laws; and the fearful extent to which the former would be multiplied, were direct taxation levied on the masses, instead of, as now, only on the few, no man can foresee. Moreover, there is one fertile source of temptation and fraud appertaining to direct

taxation, from which indirect is wholly free,—namely, *Exemptions*. Every magistrate is more or less cognisant of the deplorable amount of equivocation and false swearing, employed to prove, for example, that a house is worth only £19. 19*s*., and is, therefore, exempt from the house tax;—that the effects of a deceased person were under £20 in value, and that, therefore, Letters of Administration need not be taken out;—that the income of the appellant is less than £100, and that, therefore, he is exempt from the income tax;—that his carriage, or his horse, or his dog, or his gun, or his under-gardener, is exempt from duty on this or that assignable plea. When all things are taken into consideration, it becomes impossible to decide between the relative degrees of demoralizing temptation assignable to the two fiscal systems; and we shall, therefore, leave this class of considerations out of the question on both sides."

Now, all this is only too true. But what admissions these are! What better arguments against the existing system, than are to be drawn from these admitted facts! Of all the taxes now imposed and levied, there is not one single tax which does not come, more or less, under this sweeping condemnation! Yes—there is one single exception, if that is to be called a tax which ought never to be so treated or regarded, and that is,—the Postage Stamp. That is not properly a tax, but a payment for value received, and is the only good bargain ever made for the People with a Chancellor of the Exchequer—made by the almost unanimous voice of the People.

With that single exception, there is not one tax now collected which does not stand condemned by the reviewer under this extract, though written with a very different purpose. Like many an over-zealous advocate, he has admitted himself 'out of Court.' "The objection applies—and probably with equal force—to all species of taxation" now in use. . . . .

"Payments to the revenue, however levied, will always be evaded when evasion is possible; and fraud, lying, and concealment, with all their demoralizing consequences, will result." Yes—it always will be so, and knowing that, why persist in a system which not only permits, but encourages all these evils? Evasion of the Law may be an evil, but cannot be a crime. The means may be both, but is not necessarily either. Evasion is only avoidance, and open resistance is only one form of avoidance. Hampden's evasion, by open resistance, of the 'Ship-Money Tax,' was neither an evil, nor a crime, and nobody *now* supposes that it was either, though many weak persons, including *learned* judges, as they were called, thought it both, or said it was both, in those days. Many persons, even *learned* judges, are no wiser now, than in those days.

It was not a great many years ago—it was in the year 1814—that one Edward Pollo was executed at the new gaol, Chelmsford, for cutting down a cherry-tree, in an orchard, or rather plantation, at Kelvedon, in Essex, the property of a Mr. Brewer. The Judge hanged him by the law of inference, remarking,—"That a man who would wilfully cut down a young cherry-tree, would take away a man's life." That Judge,—whom many still living remember,—was Mr. Justice Heath. The man who confirmed that atrocious judgment, and ordered it to be carried out in execution, was our Prince Regent, afterwards King George the Fourth! His Prime Minister was then Robert Earl of Liverpool; and the Keeper of the Royal Conscience was John Earl of Eldon. St. Paul said of Alexander, the Coppersmith;—"The Lord reward him according to his works!"

Perhaps, in the history of the world, no greater criminality can be shown than in our penal laws. But, can any one put a case to show that evasion of the Law is necessarily criminal? The means may be so, and the

end may be so; but the evasion itself may be most laudable. In many cases it is highly criminal, in some less criminal, in some not high-minded; but not to be high-minded, is not to be criminal. It is not high-minded in a poor man to smuggle a keg of brandy, or a few pounds of tobacco; nor is it high-minded in a high officer of State to shirk the stamp-duty on his appointment to his high office, but it is not criminal. Both frequently happen, and the object of both is the same—to cheat the Government—but no one looks on either as criminal. No doubt, the act of the poor man is looked upon by many as very venial, and by others as very venal, and he is treated according to Law; but the act of the rich man,—which is really much more venal,—is generally regarded as venial, and, when discovered, is simply rectified, as one rectifies a mistake, when discovered to be a mistake.

What a folly to make laws for human beings, against human feelings!

It is the natural feeling against a bad law which prompts evasion.

In this view, if an 'Association for the Encouragement of Smuggling' could be established, without coming under the penalties of the Law, it would be a valuable institution deserving the support of all good subjects. If a man coming from abroad into this country—a foreigner, for instance, unacquainted with our law—be found with more than a pound of tobacco in his possession, which has not paid duty, more than five hundred times its prime cost, he is liable to be put into prison, and to pay £100 to the Queen!

Is it more criminal to evade, than to make such a law as this?

It is by evasion that all these absurd and wicked laws are ultimately repealed.

It is the cry of universal indignation which stopped,

at last, the burnings of our Bloody Queen Mary—which has swept away so many of our murderous criminal Laws—which has repealed our infamous Corn Laws—and which will abolish our wicked and contemptible Customs and Excise Duties.

In the meantime we shall continue to sympathize with the Smuggler who is helping to unfasten the iron rivets of our chains; and we shall soon have to thank him for much more.

Then, look at the poor Malster—what a fearful trade!—to this, the Samphire-gatherer from Dover Cliff is nothing! Or, think of the poor Hop-grower, with an Exciseman at one elbow, and the tempter at the other! How the devil must have laughed at the poor hop-grower, who was ruined by a bountiful season! And what a devil's deputy must the Chancellor of the Exchequer have been, who had to send the poor hop-grower to prison for Nature's freak! This particular folly, however, has at last come to an end, by the repeal of the Hop tax; but only to let in a new tax, which is obnoxious and offensive, in the highest degree, to both principle and decency;—namely, a tax on brewing beer, for private use, in private houses. Truly,—as the Editor of "The Parliamentary Remembrancer" says:—"A tax on the roasting of beef, or the use of the Coffee-biggin, would stand on exactly the same footing, and be exactly as sound and reasonable. The retrograde devices of taxation which Mr. Gladstone is thus attempting to force again upon the country, were solemnly condemned nearly two hundred years ago, when Parliament pronounced an analogous tax,—the Hearth tax, to be 'a Badge of Slavery upon the whole People, exposing every man's House to be entered into and searched at pleasure by persons unknown to him.'"

This "Parliamentary Remembrancer," edited by a [illegible]le Constitutional Lawyer, is one of the most

valuable Works now published in this Country. is it not in the hands of every Member of Parlia every Lawyer, and every country gentleman?

But to look into all the wonders of our leg would be an endless job. Some notable exam these wonders are given in the two former edition 'People's Blue Book,' and will not be here repeate have no room for repetitions. But let us have look at the Income Tax, which all our wise philo and legislators are racking their brains in vain a to adapt to common sense and justice.

Everybody knows—who knows anything about t ter—"the dishonest practices stimulated by Sched

Yes—everybody knows it—or, if they don't—l look into the returns of the principal shop-kee Regent Street, Pall Mall, the Strand, Fleet Stre Oxford Street, and in all the other great thorou of the Metropolis. Then let them look into the ret the principal Bankers and Merchants in the City ar End. Let them go into the Inns of Court for th yers, and into the Squares and the Rows for the cians and the Surgeons, and let examination b into the Returns for the Income Tax by all thes lent and high-minded men.

What a state of bankruptcy, or perjury, is b trayed! Or, what a lot of criminals, if evasion law be a crime! A clear income of £2000 a hardly to be found!

Can anything equal the absurdity of asking a to value his own property for the purpose of taxin

It is almost as absurd as a Member of the H Commons asking a Member of the Government count for the application of a particular sum of voted on an Army or Navy Estimate!

Is anyone so foolish as to suppose that there the smallest difficulty in appropriating any m

number of thousands, to any of the variety of headings most convenient?

What is this but evasion?

Evasion without risk of detection.

This is an evil state of things, but the evil works its own remedy in the end.

At present, the tax-gatherer asks for a lie, and he gets it.

Everybody evades—that is, lies. A noble Lord, formerly well known about Town, used to say that, he derived his whole income from the Income Tax Allowances!

The Law makes all liars, more or less. The sooner this system of legislation is changed, and all its costly and cruel machinery is swept away, the better for all parties concerned—the Government, and the People.

The instances of confusion of mind and argument in the Edinburgh Reviewer are so numerous that, to point them all out would be attempting too much.

But there is one instance which must be specially noticed.

In the extract already given (p. 261), it is said:—"There is one fertile source of temptation and of fraud appertaining to direct taxation, from which indirect is wholly free,—namely, *Exemptions.*"

Now, it so happens that, in the very next page (p. 262), we come to the following:—"At the outset we must remind our readers that the taxation of the poor man is *entirely voluntary.* He assesses himself, and he need not contribute one farthing to the revenue unless he pleases. No actual *necessary* of life is taxed. Bread and meat pay no Customs duties, and no Excise. Tea, coffee, sugar, tobacco, and beer—though now by habit become almost indispensable—are in no fair and intelligible sense *necessaries;* a man may live, as all men used to do, and as numbers do even now, in perfect health and strength

fort without touching one of them; nay, he will

improve his health by abstaining from, at least, two out of the number." . . . "They are all luxuries and superfluities: it is very right the working man should have them, if he chooses; but why any more than the rich man he should have them without paying for them, it is impossible to see. If he can purchase them it is because he has money to spend on superfluities, and the portion of his income that he can set aside for superfluities is surely a fair subject for taxation. If he pays any tax at all, it is because he has stepped voluntarily into the tax-paying classes."

This proves too much. If the poor man can shun indirect taxation by doing without taxed life-gear, so can a rich man shun direct taxation by doing without his property. John Toiler, it is true, may free himself from taxation on tea, coffee, sugar, spirits, tobacco, and beer, by giving them up; but so may Mr. Fullpurse shun taxes on his house and stocks by giving them to his neighbours;—or, If an Englishman will live, as our Government ought not to deem that he will live, in wealthy England, he may escape much taxation. If he would live on his own tree like a monkey, and eat berries, and insects, he would not be taxed for life-gear, which is afforded by the labor of his race:—we allow this, but we want to know, if indirect taxation ought to drive him to the alternative of monkey-life, or savage-life.

But, can a poor man escape taxation by refraining from tea, coffee, sugar, spirits, tobacco, and beer? Can he, without any taxation, have a tallow candle in his house; or, a little rice, instead of diseased potatoes? or, medicine to take, or, an orange to suck, when he is sick? or, spices in his holiday dinner? or, timber in his floor, or stairs, or door? or, receive a legacy from a kinsman, or a friend? or, try to get his bread by dealing in horses, or selling goods by auction?

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same price, but the poor would buy very little. Some tea is now sold to the rich at 20*s*. a pound, and the poor are able to buy *that*, but they never do.

If the tax be equal at 100 per cent. it is equal at 1,000 per cent., or at 10,000 per cent.; but the pressure of the tax is not equal in these cases, any more than it was in the bread tax.

It is, therefore, not enough to prove that a tax is equal to all. It is essential to show that the tax presses equally on all. That the amount of the tax is the same to all, is admitted. That the pressure is the same on all, is denied.

If tea and sugar be not necessaries, neither are boots and breeches. Taking the population of the whole world, more human beings live without the two latter, than without the two former articles; indeed, the most eminent medical authorities assert that, human life cannot be sustained without sugar in some form; and it is well known that, on bread or meat alone, human life perishes from the want of sufficient sugar.

So much for this criterion. And who is to determine what are, and what are not *necessaries?*

Voltaire in his satire, 'LE MONDAIN,' said:—

> "Le Superflu, chose très-nécessaire,
> A réuni l'un et l'autre hémisphère."

It was said by Domat, the friend of Pascal—"Le superflu des riches devrait servir pour le nécessaire des pauvres, mais tout au contraire, le nécessaire des pauvres sert pour le superflu des riches."

And so it appears to be, for by far the largest portion of the tea and sugar imported into this country, is consumed by the working classes; and, whether they buy it for themselves, or it is bought for them by their employers, the working classes equally pay for these articles out of their wages.

But those who know how the majority of Infants are brought up (especially amongst the poor and working

classes), know that their existence depends on sugar, for without it they cannot be reared.

In towns, the poor and working mothers being obliged to leave their homes in the day to earn their bread, very few of them can nurse their infants without artificial means, of which sugar is an essential ingredient, and, therefore, must be bought, though bread be unbought.

This fact, too notorious to be matter of doubt, goes far to prove that sugar *is* a necessary, notwithstanding the Edinburgh Reviewer classes it amongst luxuries.

In this view of the case we get rid of the Tables of distribution of tea and sugar, between the three orders of society, which those Gentlemen, called 'Commissioners of the Inland Revenue Department,' have lately been amusing themselves with framing, and over which there has been so much squabbling. We are not going to take any part in that squabble. It suits us well enough to take the facts on their own showing, absurd as the statement is on the face of it. It is sufficient for us that more than half the Customs duties is admitted to be paid by the Grocers, and that their best customers by far are the working class.

This proves that by far the largest portion of the duties on tea and sugar is paid by the poorest part of the population, and, consequently, that the pressure of the tax is not in equal proportion on the rich and poor.

This was fairly admitted by Mr. Gladstone, Chancellor of the Exchequer, in his Speech on the Budget, 1859.

He said:—"In dealing with the question *direct* and *indirect* taxation, there is one argument which, perhaps, though imperfectly expressed, is substantially this—the distinction between them involves the question between rich and poor. All classes pay indirect taxation; the middle and wealthy classes pay direct; but indirect taxes press always much more seriously on the laboring population."

This is a great admission from a Chancellor of the Exchequer, for it is an admission of the whole case.

Indirect taxation must always be paid, more or less, out of the wages of labor, taking wages in its largest sense, as the reward for industry and skill.

Now, it is an axiom, that it never can be just, and never can be true policy, for any Nation to tax directly, or indirectly, the wages of labor, as such. The principle is precisely the same whether the wages be £50 a year, or £50,000 a year. The amount in no way alters the principle, or affects the question. It is unjust and unwise, and as unwise as unjust, to diminish the wages of labor by any tax. In this view, the wages for the labor of the hand, and the labor of the head, are precisely the same. The wages of the common hand-laborer, the fees of the Lawyer, and the Physician, the profits of the Banker, Merchant, Manufacturer, Shop-keeper, or other Trader, are in no way distinguishable. As such, none ought to be "*touchable*" by any tax. To diminish these *as such* is unjust, and must be unwise,—must be as unwise, as unjust. Wages and Profits when left untouched by the tax-gatherer must soon change their character, and appear in some form of *realised* property.

In that new character they come more immediately under the protection of the State, and then they come more properly within the power of the State, and become liable to contribute to the necessities of the State. But as the wages of labor, or the profits of industry or skill, the State can have no just right to the smallest fraction—no right on the ground of justice—no right on the ground of policy, or expediency. To some it may appear unreasonable that the Lawyer, or the Physician, who is making £10,000, or £20,000 a year by his profession, should contribute nothing to the exigencies of the State, and that the poor Widow, who is receiving £10 a year from the Funds, should contribute £1.—But

there is no injustice in that, and equality of taxation is preserved, both in amount and in distribution, however great the pressure, when such a deduction is made from so small a sum.

But the pressure is not greater on the Widow, because the Lawyer and the Physician go free. Quite the contrary. By that freedom the Widow is set free from every other tax upon her property during her life, and after her death. By that freedom "all the luxuries and superfluities" are free to her at prices which will make her remaining £9 equal to, at least, twice that amount in purchasing power. For her comfort and enjoyment her £10 becomes equal to £20.

The reviewer, among other critical remarks, cannot understand "why joint-stock Companies should be mulcted, and private mercantile Companies escape."

This objection has been made by others, and it deserves an answer.

It is said to be unreasonable and unfair to tax realised property when invested in a Joint-Stock Concern, and to leave it untaxed when invested in a Private Concern.

On a superficial view, this would appear to be an arbitrary, and not very reasonable, measure. But the same objection applies to taxing the Government Funds. In all human schemes requiring distinctions, there must be approximations so close that the line of distinction is scarcely discernible.

The principle of the proposed tax is, however, clearly marked, and is applicable to this, and to every other case, without exception. The proposed tax is to be levied equally on all realised property, (not engaged in Agriculture, Trades, Manufactures, or Professions,) the value of which can be ascertained by the actual, or estimated, annual produce, without application to the owner. That is the definition of the description of property proposed to be taxed, contra-distinguished from capital, or floating property;

the assumption being that capital which employs productive industry and skill, is usefully employed in the production of fresh capital; and, being necessarily subject to fluctuations in value, partakes more of the character of floating, than of realised, property.

It is assumed to be inexpedient to tax such property. Whether right, or wrong, this is assumed as an axiom. If wrong, the whole theory is upset, and all that is here built upon it falls to the ground.

If the property be so invested that the owner can live in idleness on the yearly produce, and the value of the property can be ascertained by the yearly produce, or can be otherwise estimated, without application to the owner, then such property is assumed to be *realised*, and is made subject to the tax accordingly.

That is the assumption, and that is assumed as an axiom, which can never be overthrown.

Cases may be put to show that the line of distinction is very fine between floating, and realised, property; and it may appear in many cases quite unreasonable, that public investments should be taxed, and private investments left untaxed. The rule is arbitrary, but it applies equally to all, and the principle is clear. It may affect, but it cannot control, the judgment, or discretion, of the owner of the property. He is free to exercise his own will; and, as he may determine, he is subject, or not, to the visitation of the tax-gatherer.

Whilst he is engaged in the uncertain results of agriculture, in the risks of trade, or the labors of a profession, he knows that his profits will be undiminished by taxation.

So it ought to be—for his own interest—for the interest of the State—and for the interest of everybody. It is not wise to rob the hive, until the honey is made.

When he wants to enjoy in idleness, he can do so; but then he knows that he must pay for it; and then he

ought to pay; not "according to his means," but in the same proportion as others pay under like circumstances.

If he invest his Capital in a Joint-Stock Concern, he has the benefit of a special law for his protection, and his liability (if limited) is less than in a private partnership. It is not unreasonable that he should pay for that advantage, and other advantages, although his money be employed in works of productive industry, and all private partnerships be exempt from taxation. Here is no hardship, because no compulsion. The choice is free. The condition is pre-fixed. The principle is preserved, and the line of distinction, though some may think it fine, is still clear; moreover, it is fixed and certain,—known to all—equal to all.

The principle respects the undoubted right of every individual to invest his money as he likes, and without question, or interference, on the part of the State, unless the investment be made in Land, or Houses, or in the Public Funds, or in any Public Company; and then the State asks no question, and interferes so far only as is necessary for obtaining that contribution which the State requires, and is justly entitled to take:—in the case of Land, in right of the original and prior title in the State; in the case of the Public Funds, in right of the privilege given to the public for the free transfer of such portions of the Public Debt; in the case of Public Companies, in right of the protection extended by the State to such Companies; and in all these cases, in right of the Constitutional power of Parliament to take these contributions for the Public good.

But it is not a rightful exercise of this power to require a person to declare the amount or value of his property; or, in any manner to touch it whilst it remains in his own private possession, or under his own private control. If a person choose to lock up his money in a box, or to expend it for his own amusement, or to lend

it to a friend on his personal security, it is not a rightful exercise of the power of the State to interfere in any manner with that person's money so employed. But it becomes a different question, when a person employs his money for his own profit, through the intervention of the State. In that case it is not unreasonable to say that, the State then acquires a right to touch the money so invested, and *then*, but not till then, *that* becomes realised property, and fairly subject to the tax. But then no question is asked of the owner;—no question of conscience is raised;—no premium for perjury is held out; there is no interference with agriculture, manufactures, trades, or professions; the rights of property are respected, and the political rights of the State are supported.

Such is the answer to this class of objections. To many the answer will not be satisfactory, but those who still complain of the injustice of charging their realised capital in the Government Funds, or in a Joint Stock Company, with a tax of 10 per cent., whilst others who invest their Capital in private Concerns are untaxed, must bear the injustice, or remove their money from the reach of it. They have the choice, and if they choose the injustice, they may as well take it with its benefits, and be silent.

The foregoing remarks of the Edinburgh Reviewer are little more than preliminary to ascertaining "in what proportion the existing taxes are divided among the upper and middle classes, and the *prolétaires*."

We shall not follow him in his divisions and calculations. He says for himself:—"Our figures—as we have already taken occasion to warn our readers—can only be approximations." We take this to mean that, his figures will not bear close examination,—a truth which we admit, and will give him the benefit of.

We will take him on his own figures, with all his

faults; but as the present inquiry is into the distribution of taxes, and not of local rates, and more particularly of Customs and Excise Duties, we shall take the liberty of omitting everything else from this account, although he has, more wisely for his own views than fairly for ours, included all in the same account; charging fourteen-fifteenths of the local rates, and the whole of the 'Income Tax, Assessed Taxes, etc., Probate, Legacy Duties, and Stamps, to the Propertied Classes.'

There is no occasion for over-charging either side. We shall, therefore, omit all these rates and taxes on both sides, and, for simplicity and fairness, confine the account to Customs and Excise Duties, in the first instance, reserving the other charges for separate notice, our object being to expose the truth which the reviewer seems desirous of hiding.

We accordingly take the account of Customs and Excise duties as distributed by him, although he has, with manifest unfairness, charged *all* the Railway Passenger Tax, and *all* the Customs Duties on Brandy and Wine, to the 'Propertied Classes,' assuming that under these heads nothing is contributed by the 'working classes.'

But with these allowances, and many other singularities, the Case, according to this authority, and on his own showing,—stands thus:—

Customs and Excise duties paid by the 'working classes'	£23,348,612
" " 'Propertied Classes'	19,287,812
	£4,060,800

Thus, it appears that, of the Customs and Excise duties, the Working Classes pay upwards of four millions a year more than the Propertied Classes, even with the manifest error of charging to the latter the whole of the Excise for Railway Passengers' tax, and the whole of the Customs for Brandy and Wine duties,—amounting toge-

ther to £2,997,177! Or, upon the aggregate of Customs and Excise duties, viz.:—£42,636,424, the Working Classes pay, 54·762 per cent., which is £54. 15*s*. 2¾*d*.; and the Propertied Classes pay 45·238 per cent., which is £45. 4*s*. 9¼*d*.!

The reviewer then proceeds to estimate the proportion of the working classes to the whole population, and he comes to the conclusion that, the working classes of the United Kingdom form, *at least*, three-fourths of the total population, or £22,500,000, leaving *one-fourth*, 7,500,000 for the middle and upper classes, including among these all who do not live by wages.

The number of the working classes he reduces to 4,700,000 working-class families in Great Britain and Ireland; and for their aggregate income he arrives at a total of £225,000,000.

By another process, which we will call the *hocus pocus* process, the reviewer says (page 267), "this would give the entire revenue of the upper and middle ranks as £320,000,000. The comparison will then stand as follows:—

"The working classes, 22,500,000 in number, and with an aggregate income of £225,000,000 a year, pay £24,500,000 of taxes,—that is 22*s*. a head, or not quite 11 per cent. [Correctly, £10. 17*s*. 9*d*. per cent.] The upper and middle classes, 7,500,000 in number, and with an aggregate income of £320,000,000, pay £51,500,000,—that is, £6. 17*s*. 4*d*. per head, or 16 per cent." [Correctly, £16. 1*s*. 10½*d*. per cent.]

The reviewer says (page 244), that, the real pressure of taxation depends entirely on the wealth of the people pressed upon, and unless the wealth of working men bears a greater ratio to that of the rich than $\frac{11}{100}$ to $\frac{16}{100}$ —(and we say it does not), they are more oppressively taxed than the wealthier classes; and that is what the Financial Reformers maintain.

Such is the result of the comparison between the classes, made by the reviewer himself, on his own terms, as regards Customs and Excise Duties.

We will now make the same comparison with the Income Tax, Assessed Taxes, etc., and the Probate and Legacy duties, and Stamps.

According to the Income Tax Return, made up to the 5th April, 1858, the total amount of property assessed in the United Kingdom was £327,146,845, and the amount of tax imposed was £7,905,525.

The total imposed under Schedule C. was	£860,865
" " " " D. was.....	2,392,243
	£3,253,108

The reviewer, in commenting on Mr. Bright's suggestion for abolishing the Customs and Excise duties, and other taxes, and for substituting "a tax upon property, in order to cover the enormous deficiency thus created," says (p. 269):—"We have to remark that, the general effect of this plan is not to substitute direct for indirect taxation, inasmuch as it repeals direct taxes producing nearly £11,500,000 a year. The Income Tax, and the Assessed Taxes are direct in their incidence, and Schedules B., D., and E., of the Income Tax—the Schedules of Farmers, Trades, and Professions, and Public Officers, —which this Scheme repeals without a substitute, are just as much direct taxes, and possess as much of the advantages ascribed to that class of imposts, as Schedules A. and C.,—the Schedules of Land and the Funds. Neither can it be said that it is a substitution of taxes levied on the rich for taxes levied on the poor. Many of the taxes proposed to be repealed, are taxes whose incidence is not upon the poor: such are the Income Tax, the Assessed Taxes, the duties on Fire and Marine Insurances, the Duties on Paper [since repealed], Books, Raisins, Foreign Wines, Silks, Timber. The

true object of the plan, as has been already stated, is to transfer fiscal burdens from the trading and professional classes, to the classes possessed of fixed or realised property."

The reviewer seems to consider that, since the Income Tax is a direct one, the promoters of a Property Tax (which is also a direct one) should object to a tax on earnings. There is the widest difference between a tax on labor, and a tax on property.

In the next page (p. 270), he says:—

"This heavy tax would fall, not exclusively on the rich, but upon all persons deriving an income, however small, from realised property, provided that property amounted to £100. For example, a merchant, a banker, a manufacturer, a railway contractor, a barrister, a physician, an engineer, or even a Minister of State, receiving a clear income of £5000 a year, would escape untaxed; but every person who had invested £100 in the Funds, or in a Savings Bank, would receive his dividend with a deduction of 13 per cent."

Let it be granted that a physician receives a yearly income of £5000 untaxed, while another may be taxed upon £100 a year, as property. What then? We say that the physician would store much of his £5000 a year, as property, and, in that form, it would be fairly taxed.

It may be answered that, he may be a spendthrift, and may not make property of any of it. Be it so. Then we hold that it would pass on till it came into the hands of thrifty men, and would be taxed as property with them.

The fruits of labor are not annihilated on leaving a spendthrift. They will be made into property somewhere, unless destroyed by fire or water, or by war, or other State evil, and it is indifferent to the State whether they be taxed with A, B, or C. If a spend-

thrift epicure, with £1000 a year, were to give £600 a year to a thrifty truffle-hunter for truffles, he might make a new house, or other property, out of this income, and the State would lose nothing by taxing him, instead of the other.

Let a man who has £100 from the funds, and another who earns £100 a year by the whole toil of his limbs, and the whole time of his weeks, be taxed each by £10.—What then? Why some may say that, if the working man be pinched for a livelihood on his £90, so must be the fund-holder.

No such thing. The £10 taken from the fund-holder, leaves him with his mind, his limbs, and his time, free for work to make up his livelihood; but the man who is taxed of his earnings has no other set of limbs to undertake any more labor—no other brain to take the work which racks his throbbing head—no other days in the week to spend in new toil. He is taxed in his last resource of income. One has been taxed upon £100. The other upon nothing but the strokes of his limbs, or the throbbings of his brain.

This is the wickedness of a tax upon labor, and we hold that men should not be taxed in their last resource of income, till England is in her last peril—with the foe on her shores.

But the taxers of labor will not allow earnings to become capital. Their's is the wisdom that might cry—'Give me the leveret, I will not wait for the hare'—'I will have the gosling, it shall not become a goose'—'I will have the salmon fry, not the salmon.' Again, it is said:—"Why—if you tax property, you tax labor—past labor." Well—the answer is this:—'Let it be granted that a man has labor stored in the form of £2000 capital, which yields him an income of £100 a year, on which he pays a tax of £5; then he pays a *four hundredth* part of his labor. But if a poor wretch pay £5 on £100 the

fruits of his year's toil, he pays *one-twentieth* part of his labor."

Why should a poor man be taxed of twenty times as much of his labor as a rich one?

'But,' it may be said, 'it is unfair to take the taxation of the owner of the £2000 for only one year, as he may be taxed on it for many successive years.'

Very well—if he pay £5 per cent. on the yearly income of £100 which his capital of £2000 affords him, and if n be the number of years he is taxed, he pays in tax $5 \times n$, or $5\,n$, and retains $95\,n$, with his £2000 capital; and the working earner of £100 a year, by toil, is also taxed $5\,n$, and retains from the tax-gatherer $95\,n$, and so the difference between

£2000 + 95 n, and
95 n subtracted from it,

is £2000 0, which shows that the rich man's £2000 is never taxed at all, but is left to him intact.

It is a very likely objection to a Property Tax of one-tenth, or 10 per cent., that so heavy a tax would diminish, to a man of property, his yearly income, and his means of affording to the working classes, the good of his wealth, either in the form of wages for work, or deeds of beneficence, or poor-rates.

The answers to this objection are:—

1. His income would not be diminished by the amount of the tax, since the now taxed commodities of life would be tax-free, and, therefore, would come cheaper to his household.

2. If the off-taking of *indirect* taxes improve trade, and better the case of the working man, he will be under less need of the unearned good of the richer man's wealth.

3. If the bettering of the state of working men would

lessen, as we believe it would lessen, one cause of crimes against property, then we hold that the transference of taxation from labor to property, would lessen, to the owner of property, the tax of crime in the cost of needful though barren vindication of the law against criminals. It is as cheap to pay a man a trifle more of money for his loaf-earning labor, as it is to spend that trifle, or more, for the vindication of the law on his stealing his loaf; and any land may as well be taxed for the working man's self-sustenance, as be equally taxed for his food in the Union-house.

On these grounds we believe that the richer man's yearly income would be little, or not at all, diminished by a tax on property, rather than on labor, or on the laboring classes.

It is a remarkable fact, proved by the Income Tax Returns,—as far as such unreliable evidence goes,—that out of the whole population of the United Kingdom, only 284,205 persons are in possession of incomes above £100 a year!

It appears from a statement in an Official Report on Friendly Societies that, the number of persons entitled to receive dividends on the Public Debt payable at the Bank of England, in the year ending July, 1859, was 269,330; and that there were 1,383,358 depositors in Savings-Banks on the 20th November, 1858; so that the latter class was more than five times as great as the former.

In the Savings-Banks, 658,506 depositors invested sums under £10, and 200,525 averaged only £66 each; and the number whose investments exceeded £200—was 1,499.

The number of persons entitled to dividends on the Public Debt at the Bank of England, in July 1859, are thus classified in this Report:—

				Persons.
Not exceeding	£10 per annum			94,301
More than.....	10	not exceeding	£20	44,917
„	20	„	100	86,943
„	100	„	200	22,663
„	200	„	400	12,712
„	400	„	600	3,663
„	600	„	1000	2,378
„	1000	„	2000	1,174
„	2000	„	4000	376
Exceeding.....	4000 per annum			203
		Total		£269,330

Thus it appears that the total amount of the Public Debt is held by less than *one-hundredth* part of the entire population of the United Kingdom! And that the Capital of the Public Debt, enormous as it is, is represented by a comparatively insignificant proportion of the whole population.

Now, taking all the facts together, thus arrived at, from the best statistical data which the country affords, —is it reasonable to charge *the whole* of the Income Tax as paid by the Propertied Classes? But this is what the reviewer has done, in his estimate before given! It is very difficult to say what proportion should be charged as paid by the Working Classes, but it is very easy to say that the whole ought not to be charged as paid by the Propertied Classes. We shall, however, charge only 10 per cent. on Schedules C. and D. as paid by the Working Classes, and that will be, together, £325,310.

And in consideration of allowing the whole of the Assessed Taxes, etc., and the Probate and Legacy duties to stand, as charged, to the Propertied Classes, we shall charge 10 per cent. on the Stamps, as paid by the Working Classes, and that will be £825,580.

With respect to the Local Rates charged, to the amount of £14,000,000, as payments by the Propertied

Classes, we take the liberty of striking out the whole of this, as not properly chargeable in this Account.

The corrected Account will then stand thus:—

	Propertied Classes.	Working Classes.
Customs and Excise Duties	£19,287,812	£23,348,612
Income Tax, Assessed Taxes, etc.	9,649,984	325,310
Probate, Legacy Duties, and Stamps	7,421,762	825,580
	£36,359,558	£24,499,502

Thus it appears that, the Propertied Classes, or those who do not receive their incomes as the wages of labor, pay 59·743, or £59. 14*s*. 10½*d*. per cent. of the Government Taxes; and that the '*prolétaires*,' the working classes, or those who derive their incomes from the wages of labor, pay 40·256, or £40. 5*s*. 1½*d*. per cent. of the Government Taxes.

This comparative statement needs no comment. It answers the Edinburgh Reviewer, and confirms the comparative statement already given (on page 91) between the Taxes on Trade and Industry, and the Taxes on Property.

It is not our intention here to enter further into this part of the inquiry. We shall only observe that we see nothing in the facts and figures, or arguments, of the Edinburgh Reviewer, to shake our confidence in this Comparative Statement, and we think our readers will do well to consider it carefully.

We shall now advert shortly to the Local Rates, including the Poor Rates, which the reviewer introduced, and which we omitted, in his account.

Taking the whole amount of the Local Rates, as stated by the Reviewer, at £15,000,000 a year, we say that no part of this sum belongs properly to this account.

We are accustomed to hear it said that Land is made to bear an unfairly large proportion of the public burdens. That unfounded allegation we have already answered, and we deem that answer to be a complete refutation.

But we are prepared to maintain that, the local charges are incident to lands, tenements, and hereditaments, and to no other description of property, and, therefore, cannot properly be brought into account with charges imposed on other descriptions of property to meet the burdens of the State.

This we have already shown in considering the origin of titles to Land, in answer to the objection on the ground of 'Confiscation.'

We shall not again go over that ground. Sufficient may have been said to lead our readers to see for themselves our reasons for rejecting from the reviewer's comparative account, the charge of £15,000,000 for Poor Rates, County Rates, etc.;—to show that these are natural incidents to lands, tenements, and hereditaments, and are recognized as such by the English Constitution, and even by English Laws made by English Landowners; nor does it seem unreasonable that they who have been mainly instrumental in making the destitute poor, should maintain them.

Such are the principal objections of the Edinburgh Reviewer to the 'People's Blue Book,' in his remarks on 'British Taxation,' and such are the answers. How far these are satisfactory answers, our readers will judge for themselves.

It may be proper to notice that these answers to the reviewer, are, for the most part, reprinted from a Pamphlet, by the Author of the 'People's Blue Book,' entitled—"The Reviewer Reviewed: In Answer to the Edinburgh Review on 'British Taxation.'"—2nd Edition, published in 1860, a few weeks after the Review in question; and that this Answer still remains without a word in reply.

We would, however, before we come to a conclusion under this head, invite attention to the great error pervading our present system of taxation, by a few general remarks.

The increase of Indirect Taxation may be said to mark the increase of national wealth; for, in the early stages of society, taxation is necessarily direct; otherwise, it is evident, the increase of national wealth would be less in proportion to the diminished means, after providing for subsistence.

As Capital is something saved from revenue, and employed for the purpose of producing wealth, or with a view to profit, and as the earliest contributions to Capital must be from Wages, it is evident that any tax, direct or indirect, which diminishes wages, or revenue, diminishes, in the same proportion, the means of saving for the purpose of producing wealth, and, consequently, diminishes Capital.

It is equally evident that a tax which enhances the necessaries of life 50 per cent., has the effect of reducing indirectly the value of wages one-half, and of diminishing, to the same extent, the means of saving for the purpose of producing wealth, or capital. Thus, the true test of a people's prosperity is not their wages, but their consumption; and a People's prosperity is the true test of a Nation's prosperity. To lower the consumption of a people is, therefore, to lower the prosperity of a nation; and as the effect of Indirect Taxation is to lower the consumption of the people, it follows, as a necessary consequence, that the effect of indirect taxation is to lower the prosperity of a nation.

It, therefore, remains to be shown on what ground *direct* taxation is more suitable, or less injurious, to a nation in an advanced stage of civilization, than in an early stage; or why, if taxation be necessarily *direct* in the one case, it is not equally so in the other case.

If it be said—and no other reason is ever heard—that the people would not so easily submit to *direct* taxation,—that is only an assertion which is contradicted by history.

Until the reign of Charles the First, no systematic attempt was made in England to substitute Indirect for Direct taxation; and when made by that monarch it gave rise to great political agitation.

The mass of Englishmen are better off than the mass of any other people, because they alone, of all the people of the earth, are fed with wheaten bread, meat and beer. It is, therefore, mainly, that the efficiency of labor in England is so greatly superior to that of any other nation of the earth, and that her wealth is in proportion to that superiority.

How much more efficient that labor would be if left perfectly free from all restrictions and drawbacks, is a question not to be answered by any human calculation. All that can be said is, that the result would be to add greatly to the wealth and strength of the nation, and to the prosperity of the people.

Therefore it is that, the power of taxation depends on the well-being of the people, and that the well-being of the people depends more on the manner of raising, than on the amount raised, by taxes up to a certain amount.

As only one-hundredth part of the whole population has any claim on the nation's debt, it cannot be true to say that the interest on that debt is overwhelming, in regard to the means of providing for it.

It is only overwhelming when placed, as it now is, as a burden on the productive industry of the country.

If placed, as it ought be, on *realised* property, it might, not inappropriately, as a term of comparison, be called, "a flea-bite;" but so to describe it when placed, as it is, chiefly on the productive industry of the country, is nothing less than an insult to common sense, and a mockery of the people.

To make ninety-nine-hundredths of the people bear part in the burden of providing the interest on a debt in

which they have no part or claim, is a strong measure; but it may be just if, as owners of other property, they thereby derive any indirect benefit.

But to make people contribute who have no property beyond the wages of their daily labor,—whether by the labor of their muscles, or their brains,—to make these, —by far the largest portion of the people,—the largest contributors, and to tax the stock-in-trade of the country with this burden,—is no less than a violation of justice, and an outrage on common sense, for, as already shown, this not only puts the burden on the wrong shoulders, but diminishes their power to bear it, by diminishing the productive powers of the nation; and, by reducing the savings of labor, confines within narrower limits the accumulation of capital.

It is demonstrable, if not already demonstrated by experience, that this system is no less injurious to the owners of property, than it is unjust to those who have no property; in short, that it is a gigantic error, injurious to all, and contrary to the duty, as well as to the interests of the State.

Could the Irish Peasantry be raised even to the present condition of the English, their contribution to the coffers of the United Kingdom would be trebled, and would exceed what the King of Prussia derives from the whole of his dominions. But if the condition of the peasantry, and all the artisans and working classes, were raised to what it ought to be, and might be, the revenue of the United Kingdom would exceed the united revenues of all the Kingdoms of Europe, the United States of America included!

This is the picture which the "People's Blue Book" would present. It is worthy of observation, though it startle many prejudices of long established habit. It is a radical change, but it is a conservative measure. It is change more or less distant, but it is certain to be

brought about in time, as a necessary consequence of inevitable events.

It is no change to the injury of any party of the people; no interference with vested rights; no partial legislation for class interests; no innovation on the principles of the British Constitution.

It is simply a return to an old law, renewed in the reign of one of our wisest and greatest kings, who, though a foreigner, was the most patriotic Sovereign who ever guided the destinies of this Nation, and to whom we are, to this day, mainly indebted for all the most precious privileges which, as a Protestant People we now possess.

What, then, is there in this Scheme to fear or to complain of; and, of all the People, what class is it that fears or complains?

Let us anticipate the time, and contemplate the end, in all customs and Excise Duties abolished;—all Income Tax, Land Tax, and Assessed Taxes abolished:—all Succession Duties, Legacy and Probate Duties, and all other Stamp Duties (except Postage) abolished; and, in the place of these, one tax of 10 per cent. on the annual value of all Lands, Tenements, and Hereditaments, Money in the Funds, Shares in Public Companies, and all other realised property, as defined.

Assume the required revenue to be 70 millions, sterling, or upwards.

Assume the Population of the United Kingdom to be 30 millions, consisting of 7,500,000 families, and that, under this new state of things, each head of a family is able to save, and lay aside, for investment, on an average of the whole number, only £5 a year. This gives, in the aggregate, an annual saving of £37,500,000, which, in ten years, without adding the annual increase, swells to the sum of £375,000,000.

Imagine this large portion of our circulating medium

directed into channels of profitable industry, by the abolition of Customs and Excise, and other duties.

Who that can picture to himself this new state of things, will then regard our present National Debt, or the 70 millions of annual taxation, as an overwhelming evil?

Who will fail to see that he is then enjoying his fair share in the prosperity of the Country—that he is paying then, in the one tax of 10 per cent. on his property, much less than he is paying now, and enjoying much more of all that property can procure?

Who can doubt that the working man will freely pay his yearly personal contribution to the State, for the protection afforded to himself and family, when he finds himself relieved of all the taxes now hidden in his food and clothing?

But to guard the People against the fallacies of the Edinburgh Reviewer, and all such reasoners, we will pursue this part of the subject a little further.

Let us, for the sake of the argument and conclusion, roughly classify the population as follows:—

Agriculture	18,000,000
Manufactures	3,000,000
Mechanics and Artisans	3,500,000
Other Classes	5,500,000
Total Population	30,000,000

Assuming the whole population to consist of 7,500,000 families, and the average saving of each family, under the new system, to be only £5 a year, this, as before mentioned, gives an accumulated saving of £37,500,000 a year, and, as such, is an addition to the Capital of the Country. This, in ten years, without reckoning the annual increase, amounts to £375,000,000; and this is in addition to the many millions, sterling, a year, set free

by the abolition of Customs and Excise, to flow into more productive channels!

Some will deny that here is an increase of Capital. But, as before remarked, Capital is something saved from revenue, and employed for the purpose of producing wealth, or with a view to profit.

An increase of Capital is, in the first instance, the effect, and not the cause of social improvement. Afterwards they move in a circle, mutually producing, and produced. Hence it is that Capital imported from abroad into a country, can never augment the efficiency of labor so extensively, or so permanently, as Capital generated and accumulated upon the soil itself.

This well deserves the attention of all Land-owners. What a length of time it would take to transfer such a mass of Capital as £375,000,000 from the Continents of Europe and America, and to circulate it through the kingdom!

Taking, of the 7,500,000 families, 5,000,000 of families engaged in Agriculture, and, of these last, assuming the average saving of each family to be only £2 a year, this gives a yearly increase of Capital of £10,000,000, and in ten years, £100,000,000 of increased Capital from the Agricultural Population alone!

Who that reflects on this can be indifferent to the Agricultural interest of the Country? Who can wish to see the Agriculture of the Country sacrificed for any prospective benefits of Trade?

Benjamin Franklin said that, 'Agriculture was the only virtuous industry.' He, probably, did not mean this literally; but the following, from his 'Observations on Population, Commerce,' etc. shows how highly he valued this industry, and is characteristic of his style:—"There seem to be but three ways for a Nation to acquire wealth. The first is by *war*, as the Romans did, in plundering their conquered neighbors. This is

robbery.—The second by *commerce,* which is, generally, *cheating.*—The third by *agriculture,* the only *honest way;* wherein a man receives a real increase of seed thrown into the ground, in a kind of continual miracle wrought by the hand of God in his favor, as a reward for his innocent life, and his virtuous industry."

The Agriculture of every Country should be its first care, by improving the condition of the Agricultural laborers. In this way the miserable state of Ireland, (especially of our own purely Agricultural districts), should be amended; not, as some imagine, by the importation of English capital, but by an improvement to be wrought in the moral and physical condition of the Irish Peasantry, by a more just and lenient rule than they have hitherto experienced, and by relieving them from the burden of unjust taxation.

It is only when the growing wants and consumption of a People are supplied by self-accumulated Capital, that we may expect to see non-agricultural wealth accompanying a redundancy of agricultural produce.

The wants of a people may be divided into two classes. First, The want of those commodities which are necessary to procure a healthful existence, and which may be called *primary* wants. Secondly, The wish to become possessed of those commodities which are subsidiary to the satisfaction of other desires, and which may be called *secondary* wants.

The foresight which warns mankind of the danger of their not being able to satisfy their primary wants has a limited influence, because the wants themselves are limited; and the influence of prudence ceases when the means are found of satisfying them. It is, fortunately, far different with secondary wants. They are indefinite; at least, we can see no limit to the comforts and luxuries which human beings may consider essential to their well-being and happiness, and which they will avoid sacrificing by imprudent marriages.

If in the progress of the laboring cultivators of the land, habits of respectability and comfort, and a high rate of maintenance, fail to be established and maintained, the time will come when the unchecked powers of population will trench on their resources, and they will be found as degraded and miserable as communities which started in their career under much less favorable circumstances.

We have before us the wide scene of the nations of the earth earning, by the decree of Heaven, their daily bread by labor, and man is connected with man by ties which grow, and are formed, by their fellowship in the task. Those ties and relations extend from the monarch on the throne, through all the varied divisions of the population of nations, to the laborer at his work.

Out of these physical conditions and moral ties spring the most exalted virtues, public and private, which can adorn or protect society. We must not despise those ties, nor let the physical wants of men, and these, their first social consequences, seem alien to the loftier parts of our nature. As well might we despise the precious brilliant, because it is elaborated in the mine from the lowest earthly elements. England is the only great country which has taken what we have seen to be the first step in advance towards perfection as a producing power; the only country in which the population, agricultural as well as non-agricultural, is ranged under the direction of capitalists, and where the effects of their means, and of the peculiar functions they alone can perform, are extensively felt, not only in the enormous growth of her wealth, but also in all the economical relations and positions of her population.

But England is not, *therefore*, to be taken as a safe specimen of the career of a people so developing their productive forces. England has not done her good work *through* good laws, or wise counsels, but *in spite of*

bad laws, and unwise counsels. Untoward events have dogged the progress of the nation; some connected with faults of legislation and administration; some arising out of circumstances which, perhaps, neither legislators nor administrators could control, and which, perhaps, escaped any timely effort to control them, because the world gave no warning of them, and had afforded no opportunity of learning from experience.

If this suggest many regrets for the past, it still gives better hopes for the future. The errors, and their evils, which have mingled with our institutions, or our habits, may be weeded out—the tares from the wheat; the good influences we have missed may yet be won to purify and protect us; and other nations, if they assume our economical organization and power, may escape many of the evils which have retarded our progress, and afflicted us, and from which we are suffering now.

If a reasonable and quite attainable development of the moral and intellectual qualities of the body of the people go hand in hand with the changes which accompany the advance of the productive power, there is no reason to look gloomily at the social and political prospects of advancing nations, because it will then be found that a wealthy people, though greater perils and more dangerous responsibilities surround their course, may, if they do justice to their greater opportunities, make advances, in improving the intellect, virtue, and happiness of the mass of their population, even greater than any which have yet been seen elsewhere.

The foregoing are some general remarks in answer to the Edinburgh Reviewer.

He assumes the equal protection of *person* and *property* to be a sufficient ground for the equal taxation of *person* and *property*.

This is a great fallacy—but a very common one.

The way all these illogical minds reason is this—they :—

"Is not just taxation a debt due to the State for the protection of person and property?"

As nobody denies that, they next ask:—

"Is not *person*, which includes life and industry, at least equal in value to *property*; or, if you were afloat with your property in gold, would you not drop your gold, to keep your mouth above water?"

Now, here is a fallacy of composition. The question of the relative value of life, is not the same as the question whether a man would, or would not, drop his gold into the water to keep his life by swimming. Some men may blow out their brains, or otherwise kill themselves, on a loss of wealth, as if life were of no worth without wealth; and an act of casting away gold to preserve life on the water, may be an instinctive, rather than a rational, act. A mother's life is of as much value as a babe's, and yet, from the strength of the motherly feeling, a mother may sink, rather than cast away her child. Therefore, this question contains two sundry questions; and to the first, any one might properly answer:—'Yes:—life and limb are equal in value to property.'

To the other:—'I do not know.'

Now, mark the progress of the error in the mode of reasoning.

The next question generally is something in this form:—'Is not, therefore, the taxation due by *persons* at least equal to that due by *property*?'

The answer to this is:—Certainly not, for several reasons.

A man's person is more needful to his being as a man, than is his property; since he can hold on his worldly being better with a person, and no property, than he can with property, and no person; and on the ground that, what is more needful ought to be less taxed, than what is less needful;—so the person should be less taxed than property. On this principle the Shepherd's most

needful dog, and the Farmer's most needful dung-put, and horse, have been less taxed than a dog, or carriage and horse, kept for pleasure.

Again:—the greater the risk of loss of a good, the higher should be the rate of the insurance of it.

That there is greater risk of the loss by thieves, or robbers, of dead wealth, than there is of the loss of life or limb, is shown by fact, and reason. It is shown by the manifold more of such losses of dead wealth, than of life and limb; and it is shown by the commonly received opinion that, it is a man's property, and not his breath, or soul, or limbs, that the thief, or rogue, wants.

With both thieves and conquerors, it is wealth which brings the lives of men into peril. A naked Indian Jogee, with no property off or on his body, is in little risk with a robber. "*Cantabit vacuus coram latrone viator.*"

Then again:—A man's dead property cannot withhold itself from the hands of the Son of Evil, but his life and limbs have some chance of preserving themselves; and no comparison can be made between the taxation of a man's life and limbs, and his property, since they cannot be taxed in the same way, *in kind.*

If the law protect a man's wealth, it can pay itself *in kind*, by a share of his wealth; but if it protect his life, and limb, it cannot pay itself *in kind*, by a share of his life; or, like Shylock, by a pound of flesh,—or a tooth, or an eye;—and so, one may fairly object to any comparison at all between the taxation of man's life, and his property. Thus persons proceed, asking questions, and hearing only their own answers.

"If *Indirect* taxation be, as you say, wholly levied on persons, *i. e.* industry, ought it not, in justice, at least, to equal the *Direct* taxation on property?"

Now, in this question is slipped in the *abstract*, in-[illegible]ry, for the *concrete*, persons:—"persons, *i. e.* in-[illegible]."

This is the sort of fallacy into which the *questioner* generally falls, and to which the *questioned* generally yields in silence. Why,—a man's industry is no more his person, than his fiddling, or his dancing, is his person!

In this way many persons reason on this subject, and the same error, in disguise, may be discovered in the reasoning of our critical *cousin* of the 'Edinburgh.'

WAGES.

It is a common objection that, the abolition of all Customs and Excise Duties, by cheapening the price of the necessaries of life, would lower the wages of labor.

This objection assumes that the rate of wages depends on the price of provisions,—a common, but very great error.

We know, from experience, that the rate of wages does not fluctuate with the price of provisions, and that the variations in the price of labor not only do not correspond, either in place or time, with those in the price of provisions, but are frequently quite opposite.

In times and places where the price of provisions is the highest, the rate of wages is generally the lowest. This is a matter of fact, which cannot be disputed. The proof of it is, if possible, still more decisive with regard to Scotland and Ireland, than to England.

But, though the variations in the price of labor not only do not always correspond with those in the price of provisions, and are frequently quite opposite, we must not, therefore, imagine that the price of provisions has no influence upon that of labor.

The wages for labor are necessarily regulated by two circumstances:—the demand of labor; and the price of the necessaries and conveniences of life.

The mere workman, who depends only on his hands

and industry, has nothing but such part of his labor as he is able to dispose of to others. He sells it at a cheaper or dearer price; but this high or low price does not depend on himself alone; it results from the agreement he has made with the person who employs him. The latter pays him as little as he can help, and as he has the choice from among a great number of workmen, he prefers the person who works cheapest. The workmen are, therefore, obliged to lower their price in opposition to each other. In every species of labor it must, and, in effect, it does happen, that the wages of the workman is confined merely to what is necessary to procure him a subsistence.

But the situation of the agricultural laborer is materially different from that of all other laborers. The soil, —independent of any man, or of any agreement,—pays him immediately the price of his toil. Nature does not bargain with him, or compel him to content himself with what is absolutely necessary. What she grants is neither limited to his wants, nor to a conditional valuation of the price of his day's work. It is a physical consequence of the fertility of the soil, and of justice, rather than of the difficulty of the means, which he has employed to render the soil fruitful. It is "the gratuitous service of nature."

As soon as the labor of the husbandman produces more than sufficient for his necessities, he can, with the excess which nature affords him by the *gratuitous* service beyond the wages of his toil, purchase the labor of others. They, in selling to him, procure only a livelihood; but the original laborer, or husbandman, besides his subsistence, collects an independent wealth at his disposal, called capital, which he has not purchased, but which he can sell. He is, therefore, the only source of all those riches which, by their circulation, animates labors of society; because he is the only one whose produces more than the wages of his toil.

Here, then, is the whole society divided, by a necessity founded on the nature of things, into two classes, both industrious, one of which, by its labor, produces, or rather draws from the earth, riches continually renewing, which supply the whole society with subsistence, and with materials for all its wants; while the other, employed in giving to those materials such preparations and forms as render them proper for the use of man, sells his labor to the first, and receives in return a subsistence. The first may be called the *productive*, the latter the *stipendiary* class.

But here we have not distinguished the husbandman from the proprietor of the land; and in the first origin they were not, in fact, so distinguished. It is by the labor of those who first cultivated the fields, and inclosed them to secure their harvest, that all land has ceased to be common, and that a property in the soil has been established. Until societies had been formed, and until the public strength, or the laws, becoming superior to the force of individals, had been able to guarantee to every one the tranquil possession of his property, against all invasion from without, the property in a field could only be secured as it had been acquired, by continuing to cultivate it; the proprietor could not be assured of having his field cultivated by the help of another; and that person taking all the trouble, could not easily have comprehended that the whole harvest did not belong to him. On the other hand, in the early age, when every industrious man could find as much land as he wanted, he would not be tempted to labor for another. It necessarily follows, that every proprietor must cultivate his own field, or abandon it entirely.

But the land began to be peopled, and to be cleared more and more. The best lands in process of time became fully occupied. There remained only for those who came last, nothing but barren land, rejected by re-

first occupants. But at last, every spot found a master, and those who could not gain a property therein, had no other resource than to exchange the labor of their hands in some of the employments of the *stipendiary* class, for the excess of commodities possessed by the cultivating proprietor.

Meantime, the earth produces to the proprietor who cultivates it, not a subsistence only, not only wherewith to procure himself by way of exchange, what he otherwise wants, but also a considerable superfluity, to pay other men to cultivate his land. For, among those who live by wages, as many are content to labor in this employment, as in any other. The proprietor, therefore, might then be eased of the labor of culture, and he soon was so.

Then came the demand for labor,—first in the *productive* class, and when that was supplied, then in the *stipendiary* class,—but in both classes alike for the means of subsistence.

These latter remarks are partly translated from the French, entitled,—"Reflections on the Formation and distribution of Wealth," by M. Turgot, then Comptroller General of the Finances of France; and, as said by Condorcet, in his life of Turgot;—"This Essay may be considered as the germ of the treatise on 'The Wealth of Nations,' written by the celebrated Smith."

Thus arose the demand for labor, and thus, we may see, the demand—for labor,—according as it happens to be increasing, stationary, or declining, or to require an increasing, stationary, or declining, population,—determines the quantity of the necessaries and conveniences of life which must be given to the laborer; and the money price of labor is determined by what is requisite for purchasing that quantity. Though the money price of labor, therefore, is sometimes high, where the price of provisions is low, it would be still higher,—

the demand continuing the same—if the price of provisions were high. It is because the demand for labor increases in years of sudden and extraordinary plenty, and diminishes in those of sudden and extraordinary scarcity, that the money price of labour sometimes rises in the one, and sinks in the other. In a year of sudden and extraordinary plenty, there are funds in the hands of many of the employers of industry, sufficient to maintain and employ a greater number of industrious people, than had been employed the year before, and this extraordinary number cannot always be had. Those masters, therefore, who want more workmen, bid against one another, in order to get them, which sometimes raises both the real and the money price of labor. The contrary of this happens in a year of sudden and extraordinary scarcity. The funds destined for employing industry are less than they had been the year before. A considerable number of people are thrown out of employment, who bid one against another in order to get it, which sometimes lowers both the real and the money price of labor. The scarcity of a dear year, by diminishing the demand for labor, tends to lower its price, as the high price of provisions tends to raise it. The plenty of a cheap year, on the contrary, by increasing the demand, tends to raise the price of labor, as the cheapness of provisions tends to lower it. In the ordinary variations of the price of provisions, these two opposite causes seem to counterbalance one another, which is, probably, in part the reason why the wages of labor are everywhere so much more steady and permanent than the price of provisions.

Lord Chief Justice Hales, who wrote in the time of Charles the Second, and who appears to have inquired very carefully into the subject, computes the necessary expense of a laborer's family,—consisting of six persons, the father and mother, two children able to do

something, and two children not able,—at ten shillings a week, or twenty-six pounds a year. If they cannot earn this by their labor, they must make it up, he supposes, either by begging or stealing.

The price of labor, perhaps, cannot be ascertained very accurately anywhere, different prices being often paid at the same place, and for the same sort of labor, not only according to the different abilities of the workmen, but according to the easiness or hardness of the masters. But it is very doubtful whether the money price of labour, in the purely agricultural districts, has increased since Lord Chief Justice Hales so wrote, in the time of Charles the Second.

In many of the purely Agricultural Counties at the present day, such as Dorsetshire, and many parts of Somersetshire, for instance, laborers' wages do not exceed, and are often below, ten shillings a week. But the real recompence of labor—the real quantity of the necessaries and conveniences of life—has, perhaps, increased from the latter end of the last, and in the present, century.

The necessaries and conveniences of life have been produced in greater quantities, and have become cheaper; and the great improvements in the manufactures of linen, cotton, and woollen, cloth, furnish the laborer with cheaper and better clothing; and, in the manufactures of the coarser metals, with cheaper and better instruments of trade, as well as with many agreeable and convenient pieces of household furniture.

These, however, have met with a heavy counter-balance in the increased taxes which have been laid upon them: and many of these articles which were formerly luxuries confined to the rich, have now extended so much, even to the lowest ranks of the people, as to have become to them by habit, part of the necessaries and conveniences of life. Taking these into consideration,

and the fact that the price of almost every article of food and clothing is now greatly increased by taxation, and, in many cases, so greatly increased as to be almost prohibitory to the poor, it becomes doubtful whether, on the whole, the actual condition of the laborer has been improved within the last 200 years. Mr. Hallam, whose accuracy as an historian is generally admitted, has said :—"I should find it difficult to resist the conclusion that, however the laborer has derived benefit from the cheapness of manufactured commodities, and from many inventions of common utility, he is much inferior in ability to support a family, to his ancestors three or four centuries ago."

Now, as servants, laborers, and workmen of different kinds, make up the far greater part of every political society, what improves the condition of the greater part, can never be a matter of indifference to the whole.

No society can be really flourishing and happy, of which the far greater part of the members are poor and miserable. Besides, it is but common justice that they who feed, clothe, and lodge, the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged.

Every species of animal naturally multiplies in proportion to the means of its subsistence, and no species can ever multiply beyond it. But, in civilized society, it is only among the inferior ranks of the people that the scantiness of subsistence can set limits to the further multiplication of the human species; and it can do so in no other way than by destroying a great part of their children; for poverty, though it does not prevent the generation, is extremely unfavourable to the rearing of children. The liberal reward of labor, by enabling them to provide better for their children, and, consequently, to bring up a greater number, naturally tends to widen

and extend the limits, and it necessarily does this as nearly as possible in the proportion which the demand for labor requires. If this demand be continually increasing, the reward of labor must necessarily encourage in such a manner, the marriage and multiplication of laborers, as may enable them to supply that continually increasing demand, by a continually increasing population.

If the reward should be, at any time, less than what is requisite for this purpose, the deficiency of hands would soon raise it; and if it should be, at any time, more, their excessive multiplication would soon lower it to this necessary rate. The market would be so much under-stocked with labor in the one case, and so much over-stocked in the other, as would soon force back its price to that proper rate which the circumstances of the society required. It is in this manner that the demand for men, like that for any commodity, necessarily regulates the production of men, quickens it when it goes on too slowly, and stops it when it advances too fast. It is this demand which regulates and determines the state of propagation in all the different countries of the world; which renders it rapidly progressive in the first; slow and gradual in the second; and altogether stationary in the last. The liberal reward of labor, therefore, as it is the effect of increasing wealth, so it is the cause of increasing population. To complain of it is to lament over the necessary effect, and cause, of the greatest public prosperity.

It is, perhaps, in the progressive state, while the society is advancing to the further acquisition, rather than when it has acquired its full complement, of riches, that the condition of the laboring poor, of the great body of the people, seems to be the happiest and the most comfortable. It is hard in the stationary, and miserable in the declining state. The progressive state is, in reality, the cheerful and the hearty state to all the different

orders of the society. The stationary is dull; the declining melancholy. This observation seems equally applicable to individuals. The man who is progressively improving his means is cheerful; he who is stationary in his income is generally dull; he whose income is declining melancholy.

The liberal reward of labor, as it encourages the propagation, so it increases the industry of the common people. The wages of labor are the encouragement of industry, which, like every other human quality, improves in proportion to the encouragement it receives. A plentiful subsistence increases the bodily strength of the laborer, and the comfortable hope of bettering his condition and of ending his days, perhaps, in ease and plenty, animates him to exert that strength to the utmost. Where wages are high, accordingly, we shall always find the workmen more active, diligent, and expeditious, than where they are low; in England for example, than in Scotland and Ireland; in the neighborhood of great towns, than in remote country places.

It will, therefore, be seen that, *the rate of wages depends on the supply and demand; or on the proportion between population and employment,*—in other words, CAPITAL.

If there be a quantity of capital for the employment of 100 labourers, and there be 150 seeking employment, there will be 50 in danger of being left out of employment. To prevent this they must endeavour to supplant those who have forestaled the employment; that is, they must offer to work for a smaller reward. Wages, therefore, decline. If, on the other hand, the quantity of capital has increased, while the number of laborers remains the same, the effect will be reversed. The capitalists have a greater quantity, than before, of the means of employment,—of capital from which they wish to derive advantage. To derive this advantage they

must have more laborers, than before. These laborers are all employed with other masters; to obtain them they also have but one resource—to offer higher wages. But the masters, by whom the laborers are now employed, are in the same predicament, and will, of course, offer higher still to induce them to remain. This competition is unavoidable, and the necessary effect is, a rise of wages.

It thus appears that, if population increase, without increase of capital, wages fall; and that, if capital increase, without increase of population, wages rise.

It is evident also that, if both increase, but one faster than the other, the effect will be the same as if the one had not increased at all, and the other had made no increase equal to the difference.

Suppose, for example, that population had increased one-eighth, and capital one-eighth;—this is the same thing as if they had stood still with regard to the effect upon labor. But suppose that, in addition to the above-mentioned one-eighth, population had increased another eighth; the effect in that case upon wages would be the same as if capital had not increased at all, and population had increased one-eighth.

Universally, then, it may be affirmed, other things remaining the same, that if the ratio which capital and population bear to one another remain the same, wages will remain the same; if the ratio which capital bears to population increase, wages will rise; if the ratio which population bears to capital increase, wages will fall. From this law, clearly understood, it is easy to trace the circumstances which, in any country, determine the condition of the great body of the people. If that condition be easy and comfortable, all that is necessary to keep it so is, to make capital increase as fast as population; or, on the other hand, to prevent population from increasing faster than capital. If that condition be not

easy and comfortable, it can only be made so by one of two methods; either by quickening the rate at which capital increases; or, retarding the rate at which population increases;—augmenting, in short, the ratio which the means of employing the people bear to the number of people.

If it were the natural tendency of capital to increase faster than population, there would be no difficulty in preserving a prosperous condition of the people.

If, on the other hand, it were the natutal tendency of population to increase faster than capital, the difficulty would be very great. There would be a perpetual tendency in wages to fall. The fall of wages would produce a greater and a greater degree of poverty among the people, attended with its inevitable consequences, misery and vice. As poverty and its consequent misery increased, mortality would also increase. Of a numerous family born, a certain number only would, from want of the means of well-being, be reared. By whatever proportion the population tended to increase faster than capital, such a proportion of those who were born would die; the ratio of increase in capital and population would thence remain the same, and wages would cease to fall.

That population has a tendency to increase faster than capital has in most places actually increased, is proved incontestibly by the condition of the population in almost all parts of the globe. In almost all countries, the condition of the great body of the people is poor and miserable. This would be an impossibility, if capital had increased faster than population. In that case, wages of necessity would have risen, and would have placed the laborer in a state of affluence, far above the miseries of want. This general misery of mankind is a fact which can be accounted for upon one only of two suppositions: either that there is a natural tendency in

population to increase faster than capital; or, that capital has by some means been prevented from increasing so fast as it has a tendency to increase.

That population has such a tendency to increase as would enable it to double itself in a small number of years, is a proposition resting on the strongest evidence, which nothing that deserves the name of evidence has been brought to oppose. With respect to the tendency which capital may have to increase, if that should increase as fast as population, for every laborer produced, the means of employment and subsistence would also be produced, and no degradation of the great body of the people would ensue.

As soon as it is understood from what source all increase of capital has been derived, the opinion of its rapid increase can no longer be retained. All increase of capital is derived from savings. This is a proposition which excludes all exception. The evidence, too, is so clear as hardly to require a statement. All capital is, of course, the result of production. Capital is a part of the annual produce of the land and labor of the country gradually accumulated. But if any part of the annual produce be set apart to be employed as capital, the owner must abstain from consuming it. What is destroyed cannot be capital. All capital, therefore, is made out of that part of the annual produce which, instead of being devoted to consumption and enjoyment, is saved.

Now, though it be found that, where property is secure, there is a considerable disposition in mankind to save,—sufficient where vast sources of consumption are not opened by the government, and where the difficulties of production are not very great, to make capital progressive,—this disposition is still so weak in almost all the situations in which human beings have ever been placed, as to make the progression slow. That the

same will continue to be the case, appears to be secured by the strongest principles of human nature.

It thus appears that there is a tendency in population to increase faster than capital, or the means of subsistence. If this be established it is of no consequence to the present purpose to inquire about the rapidity of the increase. How slow soever the increase of population, provided that of capital be still slower, wages will be reduced so low that, a portion of the population will regularly die from the consequences of want. Neither can this dreadful consequence be otherwise averted, than by finding means to prevent the increase of capital from falling short of that of population.

Such are the views of Adam Smith, and of that sound political economist, the late James Mill, in whose works these views and opinions will be found more fully entered into.

From this it will be seen, that if legislation, by ill-directed measures of taxation, or otherwise, reduce the available amount of capital, or restrict its profitable employment, the effect must be to lower the rate of wages, and to increase pauperism throughout the country. On the other hand, it is clear that, if the legislature take, for the necessities of the State, equally from the produce of all the *realised* property of the country, the capital remains untouched, and available for the profitable employment of more laborers. Thus capital goes on increasing, and employs more labor, the effect of which must be, to increase the demand for labour, and thereby the rate of wages, and the general prosperity of all classes in the country. The increase in the number of laborers, and in the rate of wages, must cause increased demand for, and consumption of, all commodities, and the home trade,—always the most profitable,—must go on increasing in the same proportion.

Thus, it will be seen, by leaving the laborers in pos-

session of their wages undiminished by deductions for taxes on any of the necessaries or conveniences of life, they become not only greater producers, but also better customers; and that, just as they are prosperous, or otherwise, in the same proportion are the agriculture, trade, and manufactures, of the country in a state of prosperity, or depression.

It is thus apparent that the price of the necessaries and conveniences of life can never regulate the rate of wages; and that the tendency of a low price of provisions is to raise the rate of wages, by increasing the demand for labor. It is, therefore, evident that, the demand for those who live by wages, can increase only in proportion to the increase of the funds which are destined to the payment of wages.

These funds are of two kinds: first, the revenue which is over and above what is necessary for maintenance; and, secondly, the stock, or capital, which is over and above what is necessary for the employment of the masters. Increase this surplus, and you increase the fund for the employment of labor.

Out of this fund, the landlord, annuitant, or moneyed man, maintains one or more menial servants. Out of this fund the independent workman employs one or more journeymen, in order to make a further profit by their work. The demand for those who live by wages, therefore, necessarily increases with the increase of the revenue and stock, or capital, of every country, and cannot possibly increase without it. The increase of revenue and capital is the increase of national wealth. The demand for those who live by wages, therefore, naturally increases with the increase of national wealth, and cannot possibly increase without it.

It is not the actual greatness of national wealth, but its continued increase, which occasions a rise in the wages of labor, by keeping up a continued and increas-

ing demand. It is not, accordingly, in the richest countries, but in the most thriving, or in those which are growing rich the fastest, that the wages of labour are the highest. England is, certainly, at present, a much richer country than any part of the United States, or Canada, or Australia.

The wages of labor, however, are much higher in those countries than in any part of England, though, in England, the prices of provisions, and other necessaries of life, are higher. If the money price of labor, therefore, be higher in those countries than it is anywhere in the mother country, the real price,—the real command of the necessaries of life which it conveys to the laborer, —must be higher in a still greater proportion. But though those countries are not yet so rich as England, they are much more thriving, and are advancing with much greater rapidity to the further acquisition of riches. The evidence of this is in the rapid increase of population; for, the most decisive mark of the prosperity of any country is, the increase of the number of its inhabitants.

Though the wealth of a country should be very great, yet, if it have been long stationary, we must not expect to find the wages of labor very high in it. The funds destined for the payment of wages may be very great, but if they have continued for a century the same, or very nearly the same, the number of laborers employed every year could easily supply, and even more than supply, the number wanted the following year. There could seldom be any scarcity of hands, nor could the masters be obliged to bid against one another in order to get them. The hands, on the contrary would, in this case, naturally multiply beyond their employment. There would be a constant scarcity of employment, and the laborers would be obliged to bid against one another. Such has long been the case in the United

Kingdom. Now, the only possible remedy for this evil,—and the evil is very great in its consequences,—is either by increasing the fund for the employment of laborers, or removing the excess. As the producers of wealth, it is clearly better to keep them, than to part with them, if they can be profitably employed.

The first question should, therefore, be—how to keep them, by finding profitable employment for them. This can only be by continually increasing the surplus fund out of which alone they can be paid, and thereby continually increasing the capital of the country. The liberal reward of labor, as it is the necessary effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the laboring poor, on the other hand, is the natural symptom that things are at a stand; and their starving condition, that they are going fast backwards.

If the wages of labor were sufficient to supply the laborers with all the necessaries of life, and with a reasonable share of its conveniences, they would be better able than they now are to provide for the education of their children, and to conduct themselves, and bring up their families, with more regard than they can now show to the decencies of life; and thus we might hope, by an improved race, to cut off the continual supply to our Unions, Reformatories, and Gaols, from that ever-flowing source,—Pauperism. All this might be effected by simply leaving the laborers in the full and free possession and enjoyment of the wages of their labor, undiminished by taxation; and their increased and constantly increasing consumption of all the staple commodities, would make them the largest, the safest, and most profitable customers of the manufacturers and traders, as well as the provision-growers, of the country; thus showing that the well-being of all classes is most conducive to the wealth and prosperity

of every country; and that the degradation of the working-classes is the surest sign of a declining country, and is, moreover, its greatest disgrace.

It seems to be a waste of words to prove that, cheapening the necessaries and conveniences of life, gives employment to additional capital and labor. And, yet, this is the question in dispute!

If additional capital be employed, additional labor must be required to make that capital productive. Nor is this less true in those employments where machinery is substituted for human labor, for the cheapness of the articles so produced enlarges and extends the general market, and, consequently, enlarges and extends the demand for human labour in an infinite variety of other channels.

If profits on manufacturers' capital be necessary for production, no less necessary are mercantile profits for the distribution of what is produced. This desired end is effected by the competition in the market.

It is this competition which is our best security against scarcity and famine. High prices check consumption, and thus enable the stock of food to last longer than it otherwise would. Nor is this all. The high price also stimulates merchants to use every exertion to obtain supplies from abroad, by which the want will be alleviated. This enables the food to be brought from greater distances than the ordinary price would remunerate, and allows unusual expenses to be incurred by the importers in many other ways.

Thus, Free Trade, or competition, is our best protection against famine, or scarcity; but nobody pretends that Free Trade, or competition, will remove all human evils, or those evils which arise from personal vice, or imprudence, or from unjust political institutions, or from the various calamities of life, nearly all of which, if not all, arise from human negligence. To pre-

vent misery, all parts of the [illegible] perfection, and not the [illegible]

But with Free Trade, [illegible] safely assumed that, there will [illegible] all productions, natural and [illegible] able), that the prices will be [illegible] throughout the markets of the [illegible] only of the cost of transport; and [illegible] tion be dependent, (as it always [illegible] measure) on the price of labor. [illegible] assumed that those nations which [illegible] local advantages, will have the [illegible] struggle of competition, as long as [illegible] natural advantages unimpaired by [illegible] tutions, or by personal vices, or improvidence.

But if, by unjust restrictive laws, or by [illegible] necessaries and conveniences of life, or by [illegible] or imprudence, that natural equalization of [illegible] disturbed, then the natural advantages are [illegible] and the injustice and improvidence of the [illegible] and counteract the natural or providential law. [illegible] injury of itself chiefly, but not altogether without [illegible] to other nations, so intimately are all allied in [illegible] mutual interests.

If by taxes on articles of general consumption [illegible] convenience, the condition of the laborer be so depressed that he is driven to seek better means of subsistence in another country, the country, which so loses its laborers, loses so much of its strength, and chief source of wealth; and with all its natural and local advantages, may still be unable to compete with other countries, even in those productions over which its natural and local advantages peculiarly extend. To diminish those natural advantages must be the effect of all taxes on food; because, in proportion to that artificial increase in the price of the necessaries and conveni-

s of life, is diminished the power of successful com-
ion.

rade and manufactures, instead of increasing with
price of food, diminish, and may be entirely stopped
he high price of food. Wages then fall, and may
e altogether. It is, therefore, self-evident that, the
er the price of food (and it can never long continue
price lower than is remunerative to the producer)
greater is the power for successful competition in
general market, and the greater is the individual
l national prosperity of that country.

The converse may also be taken as an axiom:—That
a country where the prices of the necessaries and con-
niences of life are so high as to be obtained with diffi-
lty by the working classes, agriculture, trade, and ma-
factures, are always languishing, wages are low in pro-
rtion, and the people are sinking into misery and vice.
In that state of things, capital is hoarded, or trans-
rred to another country, where the outlay, or invest-
ent, is more encouraged, and then, an increasing
opulation, instead of being a blessing, is the greatest
fliction; so great that it becomes, at last, unbearable,
s in Scotland, and Ireland, and finds relief only in perio-
lical emigration, or famine.

But, on the contrary, where the necessaries and con-
veniences of life are abundant, and the profits on capital
are remunerative, then capital is expended and increased,
and, the demand for labor increasing in proportion, the
rate of wages rises, and the nation thrives apace with
the increase of population. This is a truth which ad-
mits of no exception.

Thus, it may be seen that, although the Malthusian
doctrine of the tendency of population to increase be-
yond the means of subsistence, is quite true in the
abstract, yet, taken practically, and applied to a moral
and industrious people, under good laws well adminis-

tered, it is quite false; and, were it otherwise, it would be impossible to reconcile the natural law with any notions of wisdom and justice, which our reason enables us to form. But though the admission of this doctrine in the abstract, as taken and applied by Malthus, impugns the Divine wisdom and justice, yet, taken and applied with this qualification, it may be seen to be another manifestation of the Divine wisdom, and justice, and mercy, and a means of enforcing the Divine command, that men shall live by labor.

Now, as labor, in a civilized state of society, can only be employed by capital, or accumulated savings, and as that employment can only be continued by profits, it is obvious that, as long as profits continue to be derived, capital must continue to increase in proportion, equal, or greater, to the increase of population; and whilst that continues, population can never increase beyond the means of subsistence.

If this be true, it must follow that, when large masses of people remove themselves from their native country for the purpose of seeking elsewhere the means of subsistence, this is the result of the natural sterility of their native soil; or, of their own personal vice, or improvidence; or, want of industry, and skill, with economy; or, it is the result of cruel and unjust laws,—to escape from which is the last effort, and the only effectual remedy. Therefore, Emigration is the open door for escape from tyranny, and oppression. The magnitude of the evil is shown by the necessity for escape; and so great is the sacrifice that, Emigration is always the last sacrifice made to save life, or to obtain the comforts of life, or something even dearer.

Love of adventure, and ardent hope, no doubt, often lead the youthful and strong to seek their fortunes in new countries; but emigrant families generally quit their native land in a state of misery bordering on

despair. To them it is the only door left open for their escape from the wickedness and cruelty of their fellow-men. It is the door *kept open* by Divine Mercy, against all the efforts of grasping and oppressive Governments to close it. They have done all they dared to close even that door, against the misery which their own wicked and cruel laws have made, and have desisted at last, only from the fear of losing, not the people whom they have driven away, but the distant Colony to which the people are driven.

What hope is there from such Governments, deaf to the claims of justice and policy, and accessible only to the dictates of fear? When will the People learn the true principles, and acquire the rightful privilege of self-government? It is truly surprising that men, called Statesmen,—to whom is entrusted the solemn responsibility of watching over the temporal welfare of the millions of human beings which compose this great nation,—should be capable of advocating, in the deliberative assembly of the people, such absurdities as are uttered in their speeches!

If property were made *directly* chargeable with the burdens of the State, so that the people might know precisely in what proportion they were contributing, and so that their contributions went *directly* to the purposes for which they were avowedly, and intentionally made,—capital would be driven out of the country! Surprising, and incredible, as it may seem, yet this is what these men, called Statesmen, really say. But the arguments they use to support this assertion, create the strongest doubt that they really believe what they say; and, indeed, it is difficult to imagine that they can be so stupid. And what is their chief reason for continuing the present oppressive and injurious system of taxation? Simply this—and, simply enough, they avow this!—that the working classes,—if they knew how unequally

large is the portion of the burden they are bearing,—would no longer bear it!

It is impossible, in the existing state of things, that profits should be otherwise than low, or that the average and ordinary rate of wages should be such as to afford the laboring classes the means of commanding a fair supply of the necessaries and conveniences of life. The increase of taxation may have been unavoidable, but however urgent the necessity for its increase, and however much it may have stimulated industry and skill, it has become a heavy burden on the productive capacities of the nation, and must, in the end, occasion the most serious results, if unattended with corresponding increase in the profits from agriculture, trade and manufactures; nor is it possible to foresee the extent of misery and vice which must ensue from their decline. These tremendous evils can be averted only by reducing the weight of taxation, and relieving the pressure on the national resources. It is hopeless to expect that this can be done by means of reductions in the public expenditure. Some savings may, and ought to be, effected in all the departments of the State; but, so long as adequate provision is made for the security and good government of all the different departments in this extensive empire, there is no reasonable ground for supposing that the public expenditure can be very sensibly reduced by any such retrenchments. The utmost saving from such retrenchments would be quite insignificant, as already shown, in comparison with the saving which would be effected by the abandonment of the present system of taxation, with all its cumbrous and expensive machinery,—and the adoption of the simple and inexpensive system of *direct* taxation here proposed. And this is the more necessary, because, under the existing system, the expenditure must increase with the increase of population. At all events, it is nothing but self-

delusion, to look to saving alone, as any resource against the internal evils with which this country is threatened.

But if the great, and yet scarcely known, resources of this country be set free, and if the people be freely permitted to make them available to their fullest extent, though Government may not be able directly to reduce the amount of the burden, yet the effect will be to increase the people's ability to bear it.

It is impossible to doubt that the productive powers of this country would be immensely augmented, and the pressure upon the industrious classes most materially diminished, by allowing them to purchase and bring home the necessaries and comforts of life at the lowest cost, and more abundantly, from all the markets of the world, by removing all duties, and leaving the laborer in full possession of the fruits of his own labor.

It is impossible to doubt that, in such a state of things as this, the rate of wages generally throughout the country would be raised, and that the purchasing power of the wages would be still more raised.

That improvement in the temporal and moral condition of the laboring part of the population has not kept pace with the progress of this nation in greatness of power, and wealth of capital, but, on the contrary, has deteriorated, and is deteriorating,—is a fact which many may not like to admit, but which, nevertheless, cannot be denied, being too clearly proved.

That for the last thirty years misery and vice have gone on together visibly increasing in proportion with the increase of population, especially among the laboring classes, and are still increasing, even far beyond the proportion, is a fact equally clear, and proved, if any faith is to be placed in parliamentary and statistical documents; and it is but too certain that their comforts and enjoyments have not increased in anything like the same proportion as those of the classes above

them, but, on the contrary, have diminished very far below them.

Now, inasmuch as the laboring classes constitute the great majority of the whole population, their moral and temporal condition is of the utmost importance, not only in regard to their own well-being, but also in regard to that of the other classes which altogether constitute the nation. The poverty and depressed condition of any very large class, especially if it be contrasted with vast wealth, extravagance, and luxury, on the part of others, is a most undesirable state of things, and can hardly fail to produce discontent, sedition, and disturbances of all kinds. Lord Bacon has said that,—"of all rebellions, those of the belly are the worst,"—and he has added:—"The first remedy, or prevention, is to remove, by all means possible, that material cause of sedition of which we speak, which is want, or poverty in the Estate."

All history proves that men, long debarred from civil rights, almost always become ill-fitted to enjoy them. The brutalizing effects of oppression, which cannot immediately be done away by its removal, at once furnish a pretext for justifying it, and make relief hazardous. Kind and liberal treatment, if cautiously and judiciously bestowed, will *gradually* and slowly advance men towards the condition of being worthy of such treatment; but treat men as aliens, or enemies,—as slaves, as children, or as brutes,—and they will *speedily* and completely justify your conduct.

But though the same disastrous consequences may be expected to follow from neglect of the temporal and spiritual wants of the people, yet the neglect of both these wants does not work in the same way. The more that is done to provide for the spiritual wants of the people, the more likely they will be to make such provision for themselves; and the more they are neglected,

the less likely are they to do it. It is, as remarked by Archbishop Whately, the peculiar nature of the inestimable treasure of Christian truth, and religious knowledge, that the more it is withheld from people, the less they wish for it; and the more it is bestowed upon them, the more they hunger and thirst after it. If people be kept upon a short allowance of food, they are eager to obtain it; if you keep a man thirsty, he will become more and more thirsty; if he be poor, he is exceedingly anxious to become rich; but if he be left in a state of spiritual destitution, after a time he will, and still more his children, cease to feel it, and cease to care about it. It is the last want men can be trusted (in the first instance) to supply for themselves. But it is one which admits of no substitute, and unless this be provided for, all other wants supplied will be inefficient for securing temporal welfare, for individuals, or a nation.

No one can doubt that it is the bounden duty of the legislature to adopt every safe and practicable measure for eradicating, or counteracting, as far as possible, the causes of poverty and vice from among the mass of the people, and for increasing, as far as possible, their comforts and enjoyments.

Now, of these causes, none seem to be so prolific of guilt and wretchedness, as the present system of taxation, which practically deprives the laborer of more than half the wages of his labor, in purchasing power, besides lowering the general rate of wages, by diminishing the profits of the employer, and thereby diminishing the demand for labor.

To improve the condition of the laboring classes must be the most effectual means of strengthening and perpetuating the institutions of a country.

In this country of excessive population in proportion to its fixed and narrow limits of land, the laboring classes must look mainly to trade for employment; and

though trade does not produce capital, yet trade produces the means of profitable employment for labor, and the accumulated savings from the produce of that labor increase the capital.

But as all labour is a continued effort, opposed to the natural disposition for ease, never pursued for pleasure, and always more or less attended with pain,—to make the reward for labor an adequate compensation for the pain, and to secure to the laborers the full produce of their own labor, is no less the sound policy, than the first duty of every government.

Unfortunately for the progress of improvement in the moral and physical condition of mankind, the few who *think*, are apt to think more for themselves than for others, and many of the most serious affairs of life, like the light and trivial pursuits of pleasure, are left to the chance guidance of fancies, rather than directed by principles derived from experience, or careful deductions from sound reasoning. The hard penalty of such proceedings must be paid, and wise and merciful is that appointment, for without it nations and people would never mend their ways. Their ways never can be mended but by raising their social position, and for that little or nothing is done, or even attempted. The remedy—the only remedy—is moral, not legislative. Good laws, which administer equal justice to all, are essential for good social position; but intellectual improvement comes through good teaching, and training. A prosperous and happy state is conducive to that end, but a good social position is completed by moral and intellectual improvement.

As Dr. Channing has said:—"The true school of human nature is the sphere opened to its faculties and affections in our conditions in daily life. A state of society furnishing to all its members a field of action for the mind and heart, gives the only true education;

and is this to be looked for anywhere in outward institutions? Is it not to be found chiefly in the spirit of Christianity, spread through a community, leading its members to a love and reverence of human nature, and to a regard to human excellence in their arrangements for property, etc.? A spirit of self-sacrifice for common good must be made powerful in the most intelligent and influential. To improve men must be a chief consideration in employing them; and the good of the laborer must be regarded as well as the profit to be drawn from his toil. So long as this is thought romantic, society can have no bright prospect of permanent progress. A society is advanced in proportion as human nature is respected. It is the misery of the present state that man, *as man*, is counted of so little worth. It is man clothed in purple, dressed in a little brief authority, high-born, rich, etc., who is now considered as deserving power. A just estimate of human nature, of its purposes, powers, destiny, leading to general courtesy, respect, and effort for the advancement of this nature, in each, and all—this is the measure of the progress of society. The existence of a large class, cut off from the rest of the community, trained up to ignorance and vice, gross in manners, and in no other degree acted upon by other classes, and respected only by brute force, is a sad feature of civilized society. The true organization of society is that in which all improvements of the higher, are communicated to the lower classes, and in which intellect and virtue descend, and are diffused. And will any thing but Christianity, moulding anew the whole spirit of the higher classes, bring about this end? There must be a body of enlightened, studious men. Let not these form a party, a faction, but consider their light as a good given to be diffused, and a means to maintain an improving intercourse among all orders. So there will be rich men; but the rich, instead of herding together,

and linking themselves to one another by common pleasures, privileges, refinements, ought to regard prosperity *as a trust for the good of those who are in want.* Let there be no literary *class*, no *class* of rich. The learned when forming a distinct class, become jealous, exacting, domineering, and seek to maintain their sway, even at the expense of truth. Scholars already begin to find the benefit of quitting their pedantic cells, and mingling with general society; but still they associate too much with the rich and refined,—still they seek honor and power. Their high honor of being lights to society is overlooked. How the rich injure themselves by a clannish spirit, corrupting one another by rivalry in show and expense! Christianity breaks down all these walls of division between man and man."

Such were the opinions of Dr. Channing, whom Coleridge described as "a philosopher who had the love of wisdom, and the wisdom of love."

How little has ever been done to uplift the physical, or to improve the moral, condition of the laboring classes in this, or any other, country? Who can read the reports on the state of the poor in our great cities and towns, or in the rural districts, and believe that "the rich regard prosperity as a trust for the good of those who are in want?"

Here is the absence of all that organisation of society in which the improvements of the higher are communicated to the lower classes, and in which intellect and virtue descend and are diffused. The rich link themselves to one another by common pleasures, privileges, refinements, and, regardless of *their trust*, they leave the despised and neglected class to herd together like brutes, in brutal ignorance and filth; often destitute not only of the necessaries of life, but also of the means of observing the ordinary decencies of civilization.

Such is the condition of our poor,—the working of our Poor Laws,—and the effect of our present system of Taxation.

Thus, through another course of deduction, we come to the same conclusion, which, in a few words, may be thus stated :—

As Capital is something saved from revenue, and employed for the purpose of producing wealth, or, with a view to profit,—and as the earliest contributions to Capital must be from wages, any tax, direct or indirect, which diminishes wages, or revenue, must diminish, in the same proportion, the means of saving, for the purpose of producing wealth, and, consequently, must prevent, in the same proportion, the increase of capital.

So a tax which enhances the cost of the necessaries of life 50 per cent., must have the effect of reducing the value of wages one-half, and of diminishing, to the same extent, the means of saving, for the purpose of producing wealth, or capital.

Thus, the true test of a people's prosperity is not their wages, but their consumption; and a people's prosperity is the best test of a nation's prosperity.

Malthus has shown, that it is not merely the *gross* amount of land produce in a State, *in proportion to the extent of territory*, which is the cause of domestic prosperity, but the *relative* amount of that produce, *in proportion to the numbers of the people.* Thus, if two nations possess an equal extent of territory, and raise an equal produce, and one contain *ten millions* of inhabitants, and the other *twelve millions;* in the former the food being divided in larger shares among the people than in the latter, the former people will enjoy greater comfort and happiness than the latter, in common and average years.

But although the *gross* amount of produce, in proportion to territory, and its *relative* amount in proportion to population, be different things, yet, in general, large

gross produce and *relative* abundance uniformly go together, where no impolitic laws or usages encourage a superfluous population, or interrupt the commerce and agriculture of the country. Wherever these are left free to the operation of nature,—or, are least interrupted, a large *gross* produce is uniformly attended with a *relative* abundance among the people.

To the freedom from intermeddling was the rapid progress of the United States of America to prosperity mainly attributable. There a large *gross* produce was in proportion to the large extent of territory, and was attended with a *relative* abundance among the people.

To lower the consumption of a people is, therefore, to lower the prosperity of a nation; and as the effect of *Indirect* taxation is to lower the consumption of the people, it follows, that the effect of *Indirect* taxation is to lower the prosperity of the nation.

These remarks are for exposing and refuting the common and very injurious fallacy,—that the effect of abolishing all taxes on the necessaries and conveniences of life, would be, to lower the money rate of wages;—and of showing that a contrary effect must be the necessary consequence, by a continually increasing demand, both at home and abroad, for our natural productions, and manufactures. It is also evident that, the same consequence must ensue from the same cause in every civilized country of the world;—all showing that:—"The welfare of the People is the highest law."

That these views of the governing principle of the of Labor are not new, and that the same views ntertained by that great Statesman and enlight- olitician, Burke, may be seen in his pamphlet on ity,"—perhaps, one of the best pamphlets of its the language. He has there said:—"It is not at the rate of wages has not increased with the l price of provisions. I allow it has not fluctuated

with that price, nor ought it; and the squires of Norfolk had dined, when they gave it as their opinion, that it might or ought to rise and fall with the market price of provisions.

"The rate of wages in truth has no *direct* relation to that price. Labor is a commodity like every other, and rises or falls according to the demand. This is the nature of things; however, the nature of things has provided for their necessities. Wages have been twice raised in my time, and they bear a full proportion, or even a greater than formerly, to the medium of provision during the last bad cycle of twenty years. They bear a full proportion to the result of their labor. If we were wildly to attempt to force them beyond it, the stone which we had forced up the hill, would only fall back upon them in a diminished demand, or, what indeed is the far lesser evil, an aggravated price of all provisions, which are the result of their manual toil. There is an implied contract, much stronger than any instrument, or article of agreement, between the laborer in any occupation and his employer—that the labor, so far as that labor is concerned, shall be sufficient to pay to the employer a profit on his capital, and a compensation for his risk; in a word, that the labor shall produce an advantage equal to the payment. Whatever is above that, is a direct *tax;* and if the amount of that tax be left to the will and pleasure of another, it is an *arbitrary tax.*"

On the question of the expediency of any legislative interference or intermeddling with the Wages of Labor, the following remarks of Burke are so profound and so true, as well to deserve the reflection of Statesmen, Legislators, and Politicians, in these days:—"The questions arising on this scheme of arbitrary taxation are these—Whether it is better to leave all dealing, where there is no force or fraud, collusion or combination—

tirely to the persons eventually concerned in the matter contracted for; or to put the contract into the hands of those, who can have none, or a very remote interest in it, and little or no knowledge of the subject.

"It might be imagined that there would be very little difficulty in solving this question; for what man, of any degree of reflection, can think, that a want of interest in any subject closely connected with a want of skill in it, qualifies a person to intermeddle in any the least affair; much less in affairs that vitally concern the agriculture of the kingdom, the first of all its concerns, and the foundation of all its prosperity in every other matter, by which that prosperity is produced? The vulgar error on this subject arises from a total confusion in the very idea of things widely different in themselves;—those of convention, and those of judicature. When a contract is making, it is a matter of discretion and of interest between the parties. In that intercourse, and in what is to arise from it, the parties are the masters. If they are not completely so, they are not free, and therefore their contracts are void. But this freedom has no further extent, when the contract is made; then their discretionary powers expire, and a new order of things takes its origin. Then, and not till then, and on a difference between the parties, the office of the judge commences. He cannot dictate the contract. It is his business to see that it be *enforced*; provided that it be not contrary to pre-existing laws, or obtained by force or fraud. If he

ıy way a maker or regulator of the contract, in-
he is disqualified from being a judge. But this
confused distribution of administrative and judi-
racters, (of which we have already as much as is
ıt, and a little more) is not the only perplexity of
ınd passions which trouble us in the present hour."

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* * * * *

"In the case of the farmer and the laborer; their interests are always the same, and it is absolutely impossible that their free contracts can be onerous to either party. It is the interest of the farmer, that his work should be done with effect and celerity; and that cannot be, unless the laborer be well fed, and otherwise found with such necessaries of animal life, according to its habitudes, as may keep the body in full force, and the mind gay and cheerful. For of all the instruments of his trade, the labor of man (what the ancient writers have called the *instrumentum vocale*) is that on which he is most to rely for the re-payment of his capital. The other two, the *semi-vocale* in the ancient classification, that is, the working stock of cattle, and the *instrumentum mutum*, such as carts, ploughs, spades and so forth, though not all inconsiderable in themselves, are very much inferior in utility or in expence; and without a given portion of the first, are nothing at all. In all things whatever, the mind is the most [illegible] the most important; and in this scale the [illegible] of agriculture is in a natural and just order, [illegible] as an informing principle to the plough [illegible] laborer is as reason to the beast; and [illegible] a thinking and presiding principle to [illegible] attempt to break this chain of subordination [illegible] is equally absurd; but the absurdity [illegible] chievous in practical operation, where [illegible] easy, that is, where it is the most [illegible] neous judgment.

"It is plainly more the farmer's [illegible] should thrive, than that his horses [illegible] sleek, plump, and fit for use, or [illegible] and ploughs should be strong, in [illegible] service. On the other hand, [illegible] profit of the laborer, and that [illegible] nually manured and fructifies [illegible]

should continue that abundant nutriment, and clothing, and lodging, proper for the protection of the instruments he employs.

"It is therefore the first and fundamental interest of the laborer, that the farmer should have a full incoming profit on the product of his labor. The proposition is self-evident, and nothing but the malignity, perverseness, and ill-governed passions of mankind, and particularly the envy they bear to each other's prosperity, could prevent their seeing and acknowledging it, with thankfulness to the benign and wise disposer of all things, who obliges men, whether they will or not, in pursuing their own selfish interests, to connect the general good with their own individual success.

"But who are to judge what that profit and advantage ought to be?—certainly no authority on earth. It is a matter of convention dictated by the reciprocal conveniences of the parties, and indeed by their reciprocal necessities."

* * * *

"Labor is a commodity, and as such, an article of trade. If I am right in this notion, then labor must be subject to all the laws and principles of trade, and not to regulations foreign to them, and that may be totally inconsistent with those principles and those laws. When any commodity is carried to market, it is not the necessity of the vender, but the necessity of the purchaser that raises the price. The extreme want of the seller has rather (by the nature of things with which we shall in contend) the direct contrary operation. If the s at market are beyond the demand, they fall in value; if below it, they rise. The impossibility of subsistence of a man who carries his labor to a et, is totally beside the question in this way of ng it. The only question is,—what is it worth to ayer?

"But if authority comes in and forces the buyer to a price, what is this in the case (say) of a farmer, who buys the labor of ten or twelve laboring men, and three or four handycrafts, what is it, but to make an arbitrary division of his property among them?

"The whole of his gains never do amount anything like in value to what he pays to his laborers and artificers; so that a very small advance upon what *one* man pays to *many*, may absorb the whole of what he possesses, and amount to an actual partition of all his substance among them. A perfect equality will indeed be produced;—that is to say, equal want, equal wretchedness, equal beggary, and on the part of the partitioners, a woeful, helpless, and desperate disappointment. Such is the event of all compulsory equalizations. They pull down what is above. They never raise what is below; and they depress high and low together beneath the level of what was originally the lowest.

"If a commodity be raised by authority above what it will yield with a profit to the buyer, that commodity will be less dealt in. If a second blundering interposition be used to correct the blunder of the first, and an attempt be made to force the purchase of the commodity (of labor for instance), the one of these two things must happen, either that the forced buyer is ruined, or the price of the product of the labor, in that proportion, is raised. Then the wheel turns round, and the evil complained of falls with aggravated weight on the complainant. The price of corn, which is the result of the expence of all the operations of husbandry, taken together, and for some time continued, will rise on the laborer, considered as a consumer. The very best will be that he remains where he was. But if the price of corn should not compensate the price of labor, which is far more to be feared, the most serious evil, the very destruction of agriculture itself, is to be apprehended

"Nothing is such an enemy to accuracy of judgment as a coarse discrimination; a want of such classification and distribution as the subject admits of. Increase the rate of wages to the laborer, say the regulators—as if labor was but one thing and of one value." . . . . .

"But what if the rate of hire to the laborer come far short of his necessary subsistence, and the calamity at the time is so great as to threaten actual famine? Is the poor laborer to be abandoned to the flinty heart and griping hand of base self-interest, supported by the sword of law, especially when there is reason to suppose that the very avarice of farmers themselves has concurred with the errors of Government to bring famine on the land."

* * * * *

"A greater and more ruinous mistake cannot be fallen into, than that the trades of agriculture and grazing can be conducted upon any other than the common principles of commerce; namely, that the producer should be permitted, and even expected, to look to all possible profit which, without fraud or violence, he can make; to turn plenty or scarcity to the best advantage he can; to keep back or bring forward his commodities at his pleasure; *to account to no one for his stock or for his gain.* [Mark these words, here printed in *italics.*] On any other terms he is the slave of the consumer; and that he should be so is no benefit to the consumer. No slave was ever so beneficial to the master as a freeman that deals with him on an equal footing by convention, formed on the rules and principles of contending interests and compromised advantages. The consumer, if he were suffered, would in the end always be the dupe of his own tyranny and injustice. The landed gentleman is never to forget that the farmer is his representative.

"It is a perilous thing to try experiments on the farmer.

The farmer's capital (except in a few persons and in a very few places) is far more feeble than commonly is imagined. The trade is a very poor trade; it is subject to great risks and losses. The capital, such as it is, is turned but once in the year; in some branches it requires three years before the money is paid." . . . .

"It is very rare that the most prosperous farmer, counting the value of his quick and dead stock, the interest of the money he turns, together with his own wages as a bailiff or overseer, ever does make twelve or fifteen *per centum* by the year on his capital. I speak of the prosperous." . . . .

"Observe I speak of the generality of farmers who have not more than from one hundred and fifty to three or four hundred acres."

* * * * *

"What is true of the farmer is equally true of the middle man; whether the middle man act as factor, jobber, salesman, or speculator, in the markets of grain. These traders are to be left to their free course; and the more they make, and the richer they are, and the more largely they deal, the better for the farmer and consumer, between whom they form a natural and most useful link of connection: though by the machinations of the old evil counseller, *Envy*, they are hated and maligned by both parties."

* * * * *

"The balance between consumption and production makes price. The market settles, and alone can settle, that price. Market is the meeting and conference of the *consumer* and *producer*, when they naturally discover each other's wants. Nobody, I believe, has observed with any reflection what market is, without being astonished at the truth, the correctness, the celerity, the general equity, with which the balance of wants is settled. They who wish the destruction of that

balance, would fain by arbitrary regulation decree, that defective production should not be compensated by increased price, directly lay their *axe* to the root of production itself."

* * * * *

"We, the people, ought to be made sensible, that it is not in breaking the laws of commerce, which are the laws of nature, and consequently the laws of God, that we are to place our hope of softening the divine displeasure to remove any calamity under which we suffer, or which hangs over us.

"It is one of the finest problems in legislation, and what has often engaged my thoughts whilst I followed that profession,—"What the State ought to take upon itself to direct by the public wisdom, and what it ought to leave, with as little interference as possible, to individual discretion." Nothing, certainly, can be laid down on the subject that will not admit of exceptions, many permanent, some occasional. But the clearest line of distinction which I could draw, whilst I had any chalk to draw my line, was this: That the State ought to confine itself to what regards the State, or the creatures of the State, namely, the exterior establishment of its religion; its magistracy; its revenue; its military force by sea and land; the corporations that owe their existence to its fiat; in a word to everything that is *truly and properly* public, to the public peace, to the public safety, to the public order, to the public prosperity. In its pre-
olice it ought to be sparing of its efforts, and to
eans rather few, unfrequent, and strong, than
d frequent, and, of course, as they multiply their
tic race, and dwindle, small and feeble. States-
know themselves will, with the dignity which
o wisdom, proceed only in this the superior
first mover of their duty, steadily, vigilantly,
courageously; whatever remains will, in a

manner, provide for itself. But as they descend from the State to a province, from a province to a parish, and from a parish to a private house, they go on accelerated in their fall. They *cannot* do the lower duty; and, in proportion as they try it, they will certainly fail in the higher. They ought to know the different departments of things; what belongs to laws, and what manners alone can regulate. To these, great politicians may give a leaning, but they cannot give a law."

The foregoing extracts contain, pretty nearly, the substance of the whole of this remarkable pamphlet. But here is the final paragraph, word for word:—

"Tyranny and cruelty may make men justly wish the downfal of abused powers, but, I believe that, no Government ever yet perished from any other direct cause than its own weakness. My opinion is against an over-doing of any sort of administration, and more especially against the momentous meddling on the part of authority; the meddling with the substance of the people."

The Author is indebted to Lord Overstone for this valuable pamphlet, reprinted in the volume of 'Miscellaneous Economical Tracts,' printed by his Lordship for private distribution.

These are long extracts from a pamphlet 'On Scarcity,' —published upwards of sixty years ago! What have we to do with this now? There is nothing new in all this! Everybody knows it! Everybody admits it!

Exactly so. It was written in a time of scarcity, and there is no scarcity now. There is nothing new in all this *now*, though there was a great deal that was new *then*. All this is quite true—everybody knows it, and admits it. But no Government has ever practised it! This is remarkable. It was written in very dark times, by Edmund Burke, in the light of his own enlightened mind. The truth which he saw very clearly, was ther

seen only by a very few. Therefore, very few then believed in it. Therefore, no Government acted upon it. Now everybody sees it—everybody believes in it —and yet, no Government acts upon it! Ever since Burke wrote, Governments have been working against Nature to make a Scarcity! They carried on that warfare against nature as long as they could, that is, as long as the people would let them. They now carry on the same system as far as they can. They make as much scarcity as they can by duties, more or less prohibitory, on the necessaries and conveniences of life, and thus mulct the working people in, at least, one-third of their wages, thereby making them the chief sufferers in the artificial scarcity thus created!

All this was very clearly exposed in the pamphlet from which these extracts are taken. The name of Burke may still carry some weight as an authority on these subjects, though his opinions, as well as his words, may be well nigh forgotten, and that is the reason why these long Extracts have been given here.

It seems no presumption to say that Edmund Burke, had he been now living, must have approved of and supported this Scheme of Taxation, it being so entirely in conformity with the principle which he has so ably advocated, in maintaining THE FREEDOM OF LABOR.

PROPERTY, NOT LABOR, THE SUBJECT OF TAXATION.

This is the main principle here advocated, but, in following it out in detail, many questions have arisen, in the nature of objections, involving, as alleged, paradoxes, contradictions, and inconsistencies. But these, when carefully examined, have been found to be only apparent, —not substantial,—and in no instance has one exception to this principle been established. Of all the objectors

on this ground, the one most deserving of attention was, that of Mr. Duncan Maclaren, of Edinburgh, who, at the meeting of "The Social Science Association," at Glasgow, in the year 1860, read an able Paper in favour of DIRECT against INDIRECT Taxation.

But, unfortunately, in the same Paper, Mr. Maclaren's advocacy proceeded on grounds so directly at variance with this principle, that his advocacy could not be accepted on such terms, by those who followed the views of the Author of 'The People's Blue Book.'

Accordingly he addressed a Letter to Mr. Maclaren, in answer, through the 'Financial Reformer,' and as that Letter was considered by many to be a complete refutation of Mr. Maclaren's errors, the substance will be here given, in answer to all this class of objections.

The following is from Mr. Maclaren's Paper redde before the Meeting at Glasgow:—

"By a just Property Tax, I mean that property of every kind, real and personal, whether realised, or embarked in trade, commerce, agriculture, shipping, professional pursuits, or in any other way, should be included, and pay its fair proportion, whether yielding income, or not,—which could be converted into money by sale, such as vacant building land, household furniture, pictures, statuary, plate, carriages, horses, cattle, machinery, *stock in trade*, capital employed in farming, money in hand, lent, or invested,—after deducting all just and lawful debts, exempting all property and funds under £50 (as in America), and deducting £50 from the property and effects of all classes chargeable."

Taking STOCK IN TRADE as a convenient illustration of the argument against the whole, the reader will be able to apply the answer for himself to the other articles here enumerated.

The question, then, is:—

WHY NOT TAX STOCK IN TRADE?

Financial Reformers say:—Though we advocate a Property Tax, we cannot agree with you that your's would be a just Property Tax, because it would be partly, if not quite, a tax on labor. We believe you hold with us, that labor should not be taxed until it is realised; and we understand that labor is not realised, *antequam in rem, vel res, conversus est.*

If you adopt this definition, you must show that goods, or stock in trade, come within it.

If you object to this definition, you must give some other.

Now, we will proceed to show that goods, or Stock-in-trade, do not come within this definition, but are excluded by it; and you will be bound to show that *res*, in a concrete sense, or property, includes goods, or stock-in-trade, as truly property within this definition.

We would also ask you, how you would word the Act of Parliament, for the assessment of trade stock, so as not to tax pure labor.

Let us take, as happening under your tax, what has happened without it.

A man has, in store, a lot of child's carriages, of the old traction form. These are suddenly superseded by the fore-driven perambulators. You would, probably, assess the lot of old carriages (fairly) on the decreased worth they would now bear in the market, and not on the price that brought them to the owner's hands. So far, so good. Then you would always assess stock on the price it would fetch by sale. If so—there is a poor cabinet-maker, who, having taken a little shop, with hardly any capital, has worked day and night to make—above the goods he has made to order—a little table, some chairs, and a few other goods to show in his shop; but he has not been lucky enough to sell them. Is he to be taxed on these goods as *res?*

We hold, they are to him, as yet, merely *labor*, and not *res*; and ought not to be taxed.

It is bad enough that labor should be taxed *after* it has brought a man money. It would be far worse if it should be taxed *before* it should be remunerative.

Again:—a man has made a discovery in photography. His secret is worth money, for, after a year, he thinks fit to sell it for £50. Is he, in the mean time, to be taxed for this knowledge in his mind, since it is worth money in the market? To tax that knowledge, is to to tax not *res* (in the concrete) but an abstraction.

A man has made a discovery, and, to work it, has taken a patent. Is he to be taxed for his patent—as it is of money's worth—before it has brought him a farthing? Or, an Author has a work in MS., and is recommended by his publisher not to print it till the next season. Is he to be taxed for it as *res?*—since it may ultimately be sold for money, as it is worth some.

We hold, and believe you hold, that the foregoing forms of labor and abstractions are not *res*, and that any law which would tax them as being convertible into *res*, would tax pure labor.

What, then, is property according to your definition,—and how will you assess it?

We think that the tools of a workman's hands, or the implements of his craft, ought not to be taxed; and that, as books are the implements of a Lawyer's, a Doctor's, and a Clergyman's, calling; and pictures and statuary are implements of that of the Painter, Sculptor, etc., these should be scot free.

You refer to the practice in America. But we want to know,—with deference to the experience of Brother Jonathan,—what would be the effect on Art, and especially on High Art, of a tax on Pictures.

If a poor Painter were to send to a sale-gallery the

hopes, in paintings, of a year's toil, and were not so fortunate as to have them taken off his hands, it would be a trying hardship to him that they should be sent back to him burdened with a tax on the price that he had unfortunately placed on them. The maxim, "*Ex nihilo nihil fit,*" must now become, "*Ex nihilo tributum fit.*" The chance of selling a thousand pound work may be much lessened by the fact that it would carry to the buyer a heavy and endless taxation. And so with your tax on personal ornaments,—it would not be so much a question with a man, whether he could afford his wife diamonds, pearls, and precious stones, as whether he could afford to marry her encumbered with them. And so,—the winning by skill, or well-doing, of silver cups, or tea-kettles, might become an intolerable honor.

The Shareholders of the 'Great Eastern' are but ill-qualified by their present losses to pay a tax on the value at which an Assessor may choose to quote the Ship. If all property, whether yielding income, or not, is to be taxed, who is to pay the property tax on Town Clocks, Town Pumps, and Street Lamps, or on County Bridges, and Guide-Posts?

You talk of taxing "*vacant* building land." By building land, do you mean land which the owner may have marked off, and offered for building? Or, land which would be likely to be bought for building, if the owner would sell it?

If the latter is to be taxed as building land, we are uneasy for the children's playground in the Village-greens; and if we were the owner of lands near the rim of an increasing population, we should be uneasy with the thought that some Ahab of a builder, who may begrudge our Naboth's acre, may greatly annoy us on our refusal to sell it to him, by declaring to the Assessor that it was building land, and ought to be taxed on imaginary house-rents, while it yields me only grass;—and I may sing

the doleful ditty of Virgil's Shepherd: "*Dulcia linquimus arva.*"

It may be said that common sense would settle such cases of property; but, perhaps, no better common sense would be applied to them than the understanding that, what the law declares to be right, should be taken for right.

May we be delivered from perplexing assessments, while we have no better than our present most un-English form of hearing appeals against over-charges! What is it? Why, I am over-charged in Income-tax by the Assessor, and I appeal against his wrong to the Commissioners, and when I come before their bench, I find they have called him up among them as their adviser (assessor, *i.e.* bysitter), in their judgment on his own act! This has often happened—it is the common practice. What would be thought of a judgment by a judge, if I took my seat against my wrong-doer before him, and he were to call my adversary on the bench that he might be instructed by his opinion of the alleged wrong? *Risum teneatis amici?*

In the case of crime, Government will, sometimes, give a man counsel. In the case of taxes, they take counsel against him.

A tax-collector is a great, though necessary evil; but a tax assessor is an intolerable, and unnecessary infliction. The judgment of the Assessor, in every case, when objected to by the party assessed, ought to be the subject of investigation by a Jury; but that would be practicably impossible, with your long schedule of Assessments on Stock in Trade, Furniture, and other household goods, chattels, and personal effects.

With respect to strong drinks, it would be well, for the sake even of the people's morals, to see malt drinks free of malt-tax and licences—perfectly open—so that many of our new houses, like many of our old ones in

the country, may have—if their occupiers would drink beer—a tiny malt-kiln,—so that any Village 'Willie' might brew, if he would, his 'peck o' maut,'—and have his pure cup with his wife and children, without the brewer, who has now become a great monopolist. We do not at all fear that Free trade in Ale would make drunkards. They are neither made nor reformed by any taxation of drink.

A Railway and its plant are as much Stock in Trade as are the goods in a shop; and a Railway Shareholder is no more a holder of property, than is a sleeping partner in a business.

If you come to try the wording of your Act of Parliament which shall include goods, or Stock in Trade, you will soon be lost in contradictions, inconsistencies, and anomalies, in which it will be in vain to look for any guiding principle; and you will thus, yourself, not only fail in maintaining what you are desirous of establishing, but will furnish your opponents with an argument which they will use with fatal effect against you—in short, you will ruin your cause by your own advocacy.

To exempt from taxation labor of every kind, until the laborer have received his wages in full, or the market price of his labor, is the very essence of the principle in question; and this is the only real point in the question.

It is easy to put cases in which the shade of distinction is so faint as to be scarcely discernible; but this in no degree affects the principle. If the principle be sound, it must be good in every case. To shake it, you must produce a case of inconsistency, or injustice. You must show it to be unjust in itself, and inconsistent with other known, and universally admitted, rules. We admit that, one such case would be fatal to the principle which we maintain. But that you have not shown. You have shown sincerity, and disinterested candor, but you have not

shown sound judgment. You have expressed an opinion, but you have supported it by no argument—you have attached it to no principle;—but you have set it up in opposition to the principle which you have professed to maintain.

We may both of us claim credit for disinterestedness, but we cannot both be right. You are largely engaged in trade, and nearly all your worldly property consists of goods, or Stock in Trade.

I am a large land-owner, not engaged in Trade, and nearly all my worldly property consists of land and houses.

You would tax Stock in Trade, to relieve land.

I would tax land and houses, and exempt goods, or Stock in Trade.

You would tax land, houses, hereditaments, and all personal property and labor.

I would tax land, houses, hereditaments, and all realised property, excluding all other property, and labor.

You profess to advocate Direct Taxation, and the abolition of Indirect Taxes, and yet you would continue the most obnoxious of all Indirect Taxes, the tax on labor, or on goods which have not yet realised the profits of labor!

You advocate Free Trade, and yet you strike at the very root of all freedom!

You would let in the tax-gatherer to every shop, and warehouse—into every private house and cottage,—to make an inventory and valuation of all goods, Stock in Trade, chattels, and personal effects; or, you would take the estimate of these for the tax on the owner's own valuation, and thus set in antagonism self-interest and self-respect. Thus, you would demoralise the public mind, discourage the Fine Arts and Literature thoughout the kingdom,—diminish the Profits of Trade, and depreciate the Wages of Labor! You would maintain a

large body of hirelings, at the disposal of the Government, to extract money from the pockets of the people, under the name of a Property Tax, but irreconcileable with every principle of common justice and common sense—irreconcileable with common justice, because the merchant has not yet received fair profit for his capital, nor the laborer fair wages for his labor;—irreconcileable with common sense, because the Government, if it would only wait until the merchant has received his fair profits, and the laborer his fair wages, would receive much more by the tax on the property which those profits, and those wages, if untouched by the tax-gatherer, would help to realise.

Can anything equal the folly of imposing an obstacle, impediment, or draw-back, to the creation of new capital?

Why do we expend millions on Railways, but to overcome the impediments of mountains and mud-ruts? And what are all Indirect Taxes, especially taxes on profits and labor, but impediments like to mountains and mud-ruts in effect? We expend our millions in removing these obstacles, and we set up worse obstacles—worse in their consequences—under the name of Customs and Excise Duties!

Can any folly surpass this? If we must keep the obstacles, why not save the millions? But as the millions are spent, why keep the obstacles? Nature has interposed one set of obstacles, but these stimulated the skill and industry which has removed them. We, ourselves, have interposed the other set of obstacles, and the tendency of them is to paralyze skill and industry.

If it be shown that more money is lost than gained by such a tax, no argument in its favor, on the ground of justice, or necessity, can be maintained. And this, we think, we have shown.

We have shown that it is against the true interests of

a State to tax labor and trade, in wages and profits; and that exempting these can never make inequality of taxation. If the effect of exempting wages and profits from taxation be to cause an increase of capital, there can be no injustice to any one in the exemption; and to justify a contrary course, on the ground of necessity, can only be under very extraordinary circumstances.

Under ordinary circumstances, no State can have a claim, in justice or expediency, to any portion of an income derived otherwise than from property realised; for, as already shown, that would be to tax, not the property, but the labor,—not the *res*, but an abstraction.

As for instance,—all incomes derived from Agriculture, Trade, Manufactures. To tax these incomes would be to tax labor. Then, again:—all incomes derived from professions, or the arts, or sciences,—to tax these incomes would be to tax abstractions.

Instead of injuring any one by exempting these, all are equally interested in maintaining these exemptions; because it is for the interest of the State that all these incomes should be free from taxation.

This is perfectly consistent with justice and common sense. Equally so is it to tax property when realised; that is, when it has paid the wages of labor, and the profits of trade, and is invested in Government or other securities, which brings it immediately under the special protection of the Law; for, if it do not come under the *special* protection of the Law, that is, under Statute Law, it does not come under the definition of *realised* property, and is not liable, as such, to be taxed. As for instance, if the owner of such money choose to invest it again in trade, or in any private speculation, or to give it to a friend, or to spend it on works of art, science, or literature, or to lock it up in a box,—on what ground of

justice, or expediency, can the Government claim the right to tax that money?

It is not brought under the special protection, or even under the cognizance, of the State. What right then in justice or expediency,—in reason, or common sense,—to question the owner about his private affairs, which in no way come before the State,—which claim no special protection of the Law,—and which can be known only from extorted confessions, or bribed communications?

Such money, however applied, may be doing better service to the State than it could do if subject to taxation; and, sooner or later, that money, and probably much more, must become liable to taxation in the form of realised property.

In the mean time, who is injured?

The miser hoards for the spendthrift to spend, or the prudent speculator to invest. The capital increases, or it circulates.

In any case, the State ultimately gets its dues. But, then, the manufacturer, the merchant, and the trader, each gets his full profits, and the skilled artizan and common laborer get their full wages. All are served in their turn,—all are benefited. The principle is just, and, therefore, it works equal justice to all.

If this principle were carried out by all Nations, it is easy to see that the increase of commercial prosperity and human happiness, throughout the world, must be very great, though we have no experience to guide us. Where will the people *then* be found ready to go to war? Where will the demagogue *then* find an audience? Where will the worthless idler, and the drunkard *then* find an asylum?

They will then find the door of mistaken pity closed upon them, because the prison-door will then be thrown open,—the fetters will be struck off,—and they may, if

they will, go forth to freedom and honorable independence,—for full wages, and full profits.

The necessaries and the comforts of life will then be open to all who are able and willing to win them. The only objects of charity will then be the *unable*, and they will be comparatively few—chiefly the aged and infirm, and destitute children.

The annual seven or eight millions for compulsory charity, and the unknown sums for private benevolence, may then be cut down more than one half; and then true charity,—founded on human sympathy, the source of which must be in Divine love,—will revive in the land. The battle of life will then be fought on fairer ground, and all classes will then see JUSTICE—which is—"TRUTH at work."

Such was the substance of the author's answer to Mr. Duncan Maclaren,—through the 'Financial Reformer.'

The answer was favorably received by many, and was said to have made a favorable impression on the minds of a majority of the Members of Council of the Liverpool Financial Reform Association.

But if the impression were favorable to the exemption of Stock-in-Trade from all taxation, that impression did not appear to be extended to some other descriptions of property comprised in Mr. Maclaren's tariff.

Why many other descriptions of property should be exempted was a puzzle and perplexity, and so it always will be, without a clear perception of the principle, as here laid down, to govern all these questions.

What description of property should be subject to taxation, has always been a question.

We say that realised property alone should be subject to taxation; *i. e.* after wages and profits have been realised.

We do not say that labor should not be taxed, for that

would exempt all property; but only that the laborer should not be taxed in *his own* labor.

In further answer to all this class of objections, we took the case of ships to illustrate the principle.

It was said,—if you tax Houses, why not tax Ships?

To tax Houses, and to exempt Ships, seemed to many a paradox.

The answer to this was accordingly given through the columns of the Financial Reformer, and by many the answer was considered to be satisfactory and sufficient.

The substance of that answer was as follows:—

WHY NOT TAX SHIPS?

The principle propounded is this:—

That, the profits of trade, and the wages of labor, as such,—or industry and skill,—should not be taxed.

That, realised property only should be taxed.

The definition of realised property has already been given.

That may be an arbitrary definition, but, whether so or not, is immaterial, if it be strictly adhered to.

That taxes must be raised on some property nobody denies.

What is Property?

Generally,—"*Omnia quæ propria sunt,*"—all that are a man's own.

No one proposes this as the definition of property for taxation. There must, then, be exceptions for exemption.

What is property in a political sense?

All that is a man's own, of all that has been at any time won, made, or brought to hand, by man's labor.

No one proposes this as the definition of property for taxation.

What, then, is taxable property?

This has already been defined.

The summary of taxable property stands thus:—

All lands, Tenements, Hereditaments, including Man-

ors, and all Manoral and Seignoral Rights, and Fisheries, producing Income, and standing Timber. All Government Funds, Shares of Railways, Canals, and all other Joint Stock, and Chartered Companies, and all money out on loan.

The Exceptions of Exemptions are:—

All Mines and Minerals, worked or unworked, but not the land under which they lie.

All Buildings for Manufactories, Warehouses, and Works of every description; but not the Land on which the buildings stand.

All Railways and Canals; but not the Land held therewith.

All Lands and Buildings exclusively devoted to Public Worship, Public Education, and Public Charity.

All Folk-land, such as road-land, village-greens, parks, and play-grounds for the People.

All Property of the Crown, and of Foreign Ambassadors.

All yearly crops.

All machinery and tools.

All carriages, carts, and every other description of vehicle.

All horses, cattle, and every other living creature (except the human) that walks, swims, or flies.

All Pictures, Statuary, Books, Jewellery, and all other Works of Art, Science, Literature, and Skill, and every other description of personal Estate and Effects, not comprised in the definition of *realised* property.

Now, if it be asked:—Why tax the property here taxable, and not tax the exceptions of exemption?

The answer is:—The property here taxable is *realised*, —producing income to the owner by other men's labor, *without* the owner's own.

If it be said:—So do various other descriptions of property:—the reply is:—but none of those come under the definition of *realised* property.

Why not tax yearly crops?

The answer is:—To tax yearly crops would be to tax the profits of trade not realised, and the wages of labor.

Why tax realised property, and not tax tools?

The answer is:—The income of realised property is not from the owner's own labor;—that from tools wielded by a man's own hand is so.

Now, here is a principle which will govern every case that can arise. Let us try it in a few particulars by way of example:—

Why not tax food in store?

A tax between the food in store, and the hunger that craves it, is bad.

Why not tax house-gear?

A tax between the land and the utensil is bad.

Why not tax unsold goods made or bought for sale?

A tax on what is only a loss, as long as it is unsold, is bad.

Why not tax Ships?

Ships are only machines for carrying, and a tax on machinery, which saves labor, is bad.

Why not tax horses?

Horses are used as machines to save labor, for pleasure or profit. In either case the tax is bad.

Why not tax Pictures, Statuary, Books, and Jewels?

Works of Art and Science are only for the mind or soul, which is spirit. They are not for the service of the body, and as tax-money is a bodily thing, and the mind a spiritual one, a tax ought not to be demanded of it. *A spiritu nihil corporeum exigas.*

Why are all these bad taxes?

Let us answer this by a few examples.

Why is a tax on machinery a bad tax?

Machinery must always be an expense, and, of itself, never can be a profit. By combination with capital, skill, and labor, it may produce profit, or loss.

If profit, and if that profit be invested in realised property, then, as such, it becomes taxable.

If loss, then there is nothing to pay the tax.

If the profit be again employed in trade, or not employed at all, or not invested, for the same reason (as already elsewhere shown), it ought not to be taxed. It is accumulating realised property, or new capital, for future taxation, and, in the meantime is distributing profits for the employment of more labor.

Why is a House realised property, and a Ship not?

Because a Ship may be lost?

So may a life-hold House: so may money on loan.

Because it is earning money in trade?

Yes,—but as property, not as the owner's work,—not as his hand-tool.

Because it is needful to the owner's business?

So is the merchant's warehouse, and office, and business buildings.

What can be said of the Ship to save it?

Of itself it is of no value—can produce nothing without hands to work it, and skill to guide it.

In taxing the Ship, you are taxing the capital before the service is performed, and the profits are realised,—and you are taxing labor and skill.

The Ship, or machine, is no more taxable property than is Stock in Trade, or unsold goods. Instead of income, it is a positive loss, until the profit be realised.

Not so of the House, which is fixed to the freehold, and cannot be separated therefrom; and, as soon as completed, is income, (or may be) ascertained, or calculable.

But the Ship is fixed nowhere, and to nothing, and may be anywhere on the ocean, or at the bottom.

The Ship without hands to work it, and skill to guide it, as such, is of no value, being incapable of rendering any service.

So is Land without the labor of Man.

But the Ship is the work of man's labor, which Land is not.

The Ship, as such, is not only of no service unused, but is an actual loss.

Not so of Land.

Besides, practically, every tax on the British Ship must be a premium to that amount on the Foreign Ship.

Such a tax, therefore, is as injurious in practice, as wrong in theory.

The House is a fixed and immoveable property, of ascertained, or ascertainable, worth, or service. It is *realised* property.

This may be said to be an arbitrary definition. Be it so. Taxation is an arbitrary measure. We have to do only with the justice and policy of the tax. We show it to be just and politic.

The Ship is a moveable and uncertain property, of unascertained, and unascertainable worth, or service.

It is not *realised* property, but, like machinery, is used for making realised property—for accumulating capital.

Machinery is only for making more available for man's use the gratuitous powers of nature.

So is a Ship.

By imposing a tax, you interpose an obstacle, an obstruction, a mountain, a mud-rut, and thereby, to that extent, prevent mankind from availing themselves,—to the extent they might otherwise have done,—of the gratuitous powers of nature for the benefit of mankind;—thereby preventing the increase of realised property for future taxation;—and thereby diminishing *pro tanto*, the wages of labor, and the welfare of the people;—the profits of trade, and the wealth of the Nation.

To tax Ships and exempt Stock in Trade cannot be consistent.

It is quite consistent to exempt both.

To tax the profits of Ships, and Stock in Trade, *when realised* (according to the definition) is quite fair, and consistent. In both cases the tax would then be payable.

In the case of Stock in Trade—the property of an individual—the profit realised could not be ascertained, or touched, for taxation, until invested in some realised property, as defined;—arbitrarily defined, but still defined, and consistently adhered to.

The property taxable would then be under the *special* protection of Statute Law, and the money worth would then be ascertained, or easily ascertainable;—as in the case of investment in Land, or Houses, Government Funds, Joint Stock, or Chartered Companies,—all under *special* protection by Statute Law. The rent, dividend, or income, would represent the money worth, and on that the property would be taxed.

So in the case of the Ship.

The profit could not be ascertained, or touched, for taxation until invested in some realised property, as defined.

When brought within that definition the profit would be realized and tangible. Then the profit, or income, would be ascertained, or ascertainable, and on that the tax would be assessed.

Thus in the case of the Peninsular and Oriental Steam Packet Company, under the protection of a special law, the law would lay hold of the dividends, as realised profits, and would hold back 10 per cent.

But, on the same under a private holding, or partnership, the law would have no hold,—no right to ask a question, or to interfere,—and would, therefore, take nothing, until it came within the law's specially protecting power, and then the law would take for the State's service, the 10 per cent., or other rate, applicable to all descriptions of realised property.

The same of Railways, and Canals, if in Public Companies. But not so if in the hands of private individuals, or private partnerships.

Here is no tax on the Stock in Trade, on the Ship, on the Machinery, on the Railway, or on the Canal, as such; but on the realised, ascertained, and tangible income, or profit, of the *realised* property.

Here is no obstruction to trade, no interference with labor, no artificial obstacle, no mountain, no mud-rut, no premium for perjury, no question, no dispute; or, if any, it can be only a question of amount, to be determined by a Jury.

The necessary demands of the State are made equally upon all, on whom any such demands can be justly or wisely made, and are answered equally and fairly by all, without fraud, without hardship, without question, without dispute.

Now, let us take another example.

Why tax a Fishery, and exempt a Coal-mine, or other mine? Both are comprised in the comprehensive '*hereditament.*'

The one, no more than the other, is property producing Income, without human labor and skill.

Both may be profitable with labor and skill, not the owner's own.

The fish are in the river, which runs through my land.

The Coal lies under my land.

The Fishery is let for the net rent of £1000 a year.

The Colliery is let for a royalty, or fixed rent, which produces the same net income.

This sum, in each case, is equally the produce of the Estate.

Why, then, tax the Fishery, and not the Coal-mine?

It is difficult to say why.

The distinction is a nice one.

But there is a difference.

A Fishery is a property, a privilege, a right of fishing.

That is the property sold, not the fish.

Fish in a river, until caught, are *feræ naturæ*,—no man's property,—therefore, not saleable.

They, or some of them, may be in the river to-day, and in the sea to-morrow.

I sell the exclusive right to catch them within certain boundaries.

It is not the fish which is taxed, for fish is food, and "a tax between the food and the hunger which craves it is bad."

It is the exclusive right, or privilege, which is taxed:—The realised property.

The money worth of the right, or privilege, or service rendered in exchange for the money payment, or other service, is ascertained by the payment, or worth of the other service, and is free from question.

The income so produced is as fairly taxable as the income of the freehold land.

The tax is not on the fish, nor on the man who rents the Fishery.

For that he pays no tax.

The tax is on the *realised* property.

Now, for the Coal-owner who sells his Coal for the rent of £1000 a year, or for a royalty producing that amount.

The Coal-owner sells not only the right, or privilege, of getting the coal, but the Coal also, which is his own property. He sells it as he might sell the timber cut from his estate.

Timber growing is fixed to the freehold,—is property realised,—of ascertainable value—has an exchangeable service,—and, as such, is taxable.

The same cut is severed from the freehold, and is for sale, or the owner's own use. It has paid the tax already as standing timber, and is no more taxable. It then becomes subject to labor and skill.

To tax the cut timber would, therefore, be to tax the same thing twice, and also to tax the labor and skill employed to make the cut timber of any value as an exchangeable service.

A tax on labor and skill is bad.

The Coal-owner who has sold his Coal for a certain rent, or royalty, has thereby fixed the value of the exchangeable service, not the value of the coal, for that is of no value, and never can be of any. He did not plant it, or sow it, or produce it. He simply became possessed of it. It is a natural production,—a gratuitous service of nature, for which nothing has been, or ever can be, given in exchange. It, therefore, has not, and never can have, any value; for value supposes an exchange of services.

But, by human industry and skill, this gratuitous service of nature may be made useful,—a means of exchanging service for service. This interchange of services may be of value.

But it is the delivery of the Coal which is the service of value, not the Coal, as will be seen if the Coal be supposed still underground. The utility is in the Coal, but the value is in the service which brings the utility into action. That can be only by labor and skill. Whilst the Coal remains underground, the gratuitous service, in the utility, has never been realised. The Coal has never been used:—the utility in the Coal has never been made use of.

The Coal has never been worked,—has never produced any profit, or income,—has never rendered any service. It is not only of no value, but it never has been, and never can be of any.

It can only be useful, and that is the gratuitous service which never has been, and never can be, remunerated.

The owner now transfers his right to another, in re-

turn for an equivalent service rendered. The gratuitous service of nature, which he has become possessed of, he transfers to another, for money.

He permits the Coal to be worked—to be brought into use for the benefit of himself and others—to be made useful and profitable to man by his labor and skill.

He is not to be taxed for *that*.

He is not to be taxed for the Coal.

The Coal is not his. He has sold it. Or, if not,—if he work it himself—he has not realised his profit.

The profits of trade, and the wages of labor, must not be taxed.

If he have received money in exchange for his Coal, money, as such, is not taxable.

Money is valueless, and useful only as a measure of value of services.

Coal is valueless, and useful only as a means of service.

Value can exist only in reference to services exchanged, which implies services given, and received.

But Utility, if not a measure of value, is an important ingredient in the question.

To a man dying of thirst, with a sack of gold by his side, the sack of gold would be a good exchange for a glass of pure water.

The gold would not be the measure of value for the water, but for the service.

The water is of no value.

The water is useful.

That is the gratuitous service of nature, which is unremunerated,—no service being rendered in exchange.

To the man dying of thirst, the water is of no service, unless brought to him.

In the well it is useless to him.

Brought to him, it saves his life.

It is brought by an *effort*.

In that *effort* the service is rendered.

That is the service rendered.

The sack of gold, given in exchange, is the measure of value—of the value of the service rendered.

Here is the utility of the water, and the value of the service.

Just so of the diamond.

A man, walking along the sea-shore, happens to pick up what he supposes to be a small pebble, but which turns out to be a diamond.

Another man desires to possess it, for its rare size and brilliancy.

The lucky finder says:—"You may have it for £10,000." "Oh,"—says the other—"that is monstrous—for merely taking a walk on the sea-shore!"

"Well"—says the finder—"go you and do the same—and I will keep my diamond." But the other,—considering—sees that he may walk for ten years, or his whole life, without the same luck,—and so—he pays down the £10,000 and takes the diamond.

Is the diamond, therefore, of value?

It is of no more value than any other pebble, and it is of no more use; except as the means of rendering a service, or supposed service, which is the same thing.

Here is no labor or skill rendered.

But here is labor and time saved;—ten years, or a life of wandering along the sea-shore in search of such a diamond, with little chance of finding it.

For that service £10,000 is paid.

In that point of view it is no bad bargain.

Here is the exchange of services.

The diamond and the money are the instruments of the services mutually rendered in exchange.

If the diamond were given for nothing—for no service in exchange—there would be no value,—no more value than in a common pebble.

The services to be exchanged are as infinite in number and variety, as in quantity, and quality; nor are these necessarily dependent on material substances.

Coal while underground is, in quantity and quality, more or less uncertain.

In this respect, Coal underground is unlike growing Timber.

Growing Timber can be measured, and its worth can always be ascertained. Whilst growing, the worth may generally be considered as increasing with the growth, and the larger the girth, the greater the annual increase.

Coal, though part of, or belonging to, the freehold, is, of itself, invested with no freehold right, and, until separated from the freehold, produces nothing to pay a tax.

It is, therefore, not taxable.

The distinction, if slight, cannot be said to be a distinction without a difference.

But is it not something to find a distinction which fairly exempts from taxation the greatest source of wealth to the kingdom?

Can it be wise to tax the Collieries, the Mines and Minerals, the Furnaces, the Manufactories, the Workshops of this greatest manufacturing and commercial kingdom?

Can it be sound policy to bring down this country to an equality with other and less highly gifted countries, by raising artificial impediments and obstructions to the realising of our pre-eminently great natural resources?

Does he not do good service who shows that it can never be sound in theory, or wise in practice, to impose such a system of taxation as unavoidably tends to such a result?

Who is injured by any of these exemptions?

If any one can show the smallest injury, or injustice, then he may prove the theory wrong, for nothing that is practically wrong, can be theoretically right.

Let him try.

It is needless to carry the reasoning further.

It is needless, for any one who has followed thus far, to show that Railways and Canals should not be taxed, as such.

That has been already shown by arguments, illustrated by facts, and confirmed by figures.

It has been shown that all such taxes defeat their object,—make the mud and ruts, to remove, or overcome, which so vast a capital has been expended.

The land occupied by the Railway, or Canal, is the only thing to be touched by the tax.

The property realised by the Railway, or Canal, (if belonging to a Joint Stock, or Chartered Company,) is another thing. That, (coming within the definition) is fairly taxable, a deduction of 10 per cent. from the dividends, before payment to the shareholders.

As already shown,—there is no hardship in that,—no inequality,—no injustice.

Now, what is the aim and object of all this, but to bring into more complete operation that 'Economic Harmony' so admirably stated by 'Bastiat,' whose immortal Works, when more known, and better understood, will render his name illustrious for his services to mankind?

It will then be seen, as he has said:—that, "By labor the action of man is combined with the action of nature. Utility results from that co-operation. Each man receives a share of the general utility, proportioned to the value he has created;—that is to say,—to the services he has rendered;—in other words,—to the utility he has himself produced."

The 'Practical Scheme' here propounded proceeds on this principle:—to bring into more complete harmony and combination the labor of man, with the action of nature—to make the *free* labor of man to co-operate

with the *gratuitous* services of nature—to make the labor of man free, by giving him the wages of labor free of taxation—to make this co-operation more complete, by setting free of taxation those gratuitous services of nature which were intended to be free gifts to all mankind,—such as air, light, water, gravitation, elasticity, caloric, electricity—to make all these mingle and co-operate more and more with our industry.

As Bastiat says:—"These are substituted for human labor. They do for us gratuitously, what labor does only for an onerous consideration. They annihilate value without diminishing our enjoyment. To speak in common language,—what cost us a hundred francs, costs us only ten—what required ten days' labor, now demands only one. The whole value, thus annihilated, has passed from the domain of property, to that of community. A considerable proportion of human efforts has been set free, and placed at our disposal for other enterprises, so that with equal labor, equal services, equal value, mankind have enlarged prodigiously the circle of their enjoyments."

When will Governments and People understand the important truth contained in these few words?

When the People understand it,—but not before,—they will make Governments not only understand it, but also set to work in earnest to realise it, for the blessing of all Nations and People.

But misery will still remain, though goods become cheap.

Vice and folly, unrestrained, will still do their work—if not in the same way,—perhaps, even more hideously.

WHAT IS VALUE?

The foregoing views and reasoning,—so opposed to long established habits,—have been treated, by some, as

whimsical, and paradoxical; and the distinctions have been set down as merely fanciful.

But we believe the principle to be so sound, and the deductions so truly drawn, and the question to be of such high importance, as to deserve some further consideration. Indeed, it may be admitted, without reserve, that this principle is the basis of the whole Scheme here presented, and that it is essential for a correct understanding of it, that the distinction between UTILITY and VALUE should be clearly seen and acknowledged.

Without a clear perception of the true meaning of 'VALUE,' the distinction between a right to work coal, and a right to catch fish, must appear to be a distinction without a difference, for the purpose of subjecting the one to taxation, and of exempting the other,—must be open to ridicule as a whimsical paradox. But to introduce paradoxes, or 'ingenious contrivances,' into these pages, is very far from the intention.

To many it will appear nothing less than a word-quibble,—nothing short of absurdity,—to say that,—Gold is of no value.

But when their misapprehension on that ground is removed, with it also may be removed many other misapprehensions,—and what may now appear to be a gross absurdity, may then be seen to be a very simple truth.

The great fundamental error of all our Economists, and which has involved them in endless and bewildering contradictions, has been so clearly exposed by Bastiat, that it will be sufficient only to allude to it here, for the purpose of showing how it applies to the subject of Taxation.

The error arises from confounding VALUE with UTILITY.

There is not, and never can be, any value (in the true meaning of the word) in anything, the production of nature. There is only utility.

Value supposes something rendered, and something

received in exchange, as an accepted equivalent; or, a service performed in exchange for another service—an interchange of services, or supposed services, for whether real services, or not, is immaterial, if accepted as such.

The service is of value, and the value is represented in many ways. Sometimes by a piece of gold, or silver, or copper, or some other substance, sometimes by labour, or skill.

Nothing but *service* can constitute value, and value implies, services exchanged.

There is no value in gold, as would be more clearly seen, if there were no one to receive it in exchange for services.

Now, all the services rendered by Nature are gratuitous, and must, therefore, be put out of the question.

We cannot interchange services with the Almighty. We have nothing to give in exchange. When we break bread we give thanks, nothing more. This is no service in return, but only an humble acknowledgment.

"The Earth, and the fulness thereof"—all the Elements—all creation—are the gratuitous services to mankind, and, therefore, cannot constitute value, because it is essential for value that services should be exchanged. Here can be no exchange.

Value, then, can exist only between man and man; and can be only the measure of services exchanged. These services must all be comprised in, and expressed by, one word,—*efforts*. This is a better word than *labor*, because efforts comprise all, which labor does not.

This distinction between VALUE and UTILITY, must be ever preserved in the mind. This is not a play upon words, which would be contemptible. It is the essence of the whole question under consideration.

Now, let us apply this distinction to the present question.

Property is what belongs to a man.

If he hold, as his own, a thing (a ship) brought to hand by the efforts of man,—it is property of value.

Now, the aim of Government should be to throw the burden of taxation, as much as possible, on that description of property which least interferes with *efforts*, or *services*. That description of property is, all such property as produces income to the owner *without any effort of his own*:—as a thousand pounds with which a lawyer may have bought a share in a Steam Packet Company.

What is realised Property?

What may have been collected together by the owner's own efforts.

He may think it hard that any part of it should be taken away from him.

But if he be now enjoying the income from it, without any further effort of his own, he must submit. He is rendering a service to the State, in return for the service rendered by the State to him. There can be no hardship in this, if more be not taken than is fairly wanted and applied;—at any rate, the hardship—if any—is the same to all.

But all Governments seem to have in view an object directly the opposite to this.

They throw the burden of taxation on that description of property which interferes, in the utmost possible degree, with the interchange of services.

In so doing, they cause great loss and misery to individuals, and great loss to the State.

They impose the taxes, or by far the greater part of them, so as to fall upon, and thereby greatly to diminish, the *efforts* which are the foundation of value, and the wealth of nations.

They thereby raise obstacles to the accumulation of property, and, by impeding, diminish the very sources

of wealth; thereby causing an amount of human misery and guilt, beyond human calculation, or remedy.

They step in between the Creator, and His helpless creatures, and deprive them of those *gratuitous services* which He has rendered and intended for the enjoyment equally of all.

They impose the burdens of the State on His gifts, and thereby prevent that complete co-operation which was intended between human beings, for their mutal benefit.

They disturb the Economic Harmony of Nature.

By mistaking Utility for Value, and Value for Utility, they confound and diminish both.

By embarrassing and impeding the co-operation of the gratuitous services of Nature with human efforts, they restrict and diminish both.

"Value can never exist as an attribute of matter." So truly said Bastiat.

It cannot be denied that matter and value are often found separated. But, if value reside in matter, then, where there is no matter, there can be no value.

If in the production of wealth, the action of nature is combined with the action of man, the first gratuitous and common in its own nature—remains gratuitous and common in all our transactions; the second alone represents *services, value*; the action of man alone is remunerated.

That alone is the foundation, explanation, and justification, of Property.

Whatever is of the action of man, is *Property*.

A Ship,—as such,—is of the action of man.

Therefore, a Ship,—as such—is of value.

Therefore, relatively to each other, men are proprietors only of the value of things.

In transferring products from hand to hand, what they stipulate for exclusively is,—value;—that is to say,—reciprocal services;—all the qualities, properties, and

articles which these products derive from nature, being obtained by them into the bargain.

This is the true meaning of *Community*, the admirable phenomenon, the most touching dispensation of Providence to the creature—the phenomenon of *progressive community*.

Wealth,—taking the word in its general acceptation, —results from the combination of two agencies—the action of nature, and the action of man.

The first is *gratuitous*, and *common*, by the destination of Providence, and never loses that character.

The second alone is provided with *value*, and consequently, *appropriated*.

With the development of intelligence, and the progress of civilization, the one takes a greater and greater part, the other a less and less part, in the realisation of such given utility.

Hence it follows that, the domain of the GRATUITOUS, and the COMMON, is continually expanding among men, relatively to the domain of VALUE and PROPERTY.

This is a consoling and suggestive view of the subject, entirely hidden from the eye of science, so long as we continue to attribute value to the co-operation of Nature.

Men of all religions thank God for His benefits. The father of a family blesses the bread which he breaks and distributes to his children;—a touching custom that reason would not justify, were the liberality of Providence other than gratuitous.

For the discovery of these first principles we are indebted to Bastiat.

How little we have understood them, or do now understand or appreciate them, is lamentably evident in our present system of Taxation.

We seek, by every means in our power, to make 'the liberality of Providence other than gratuitous.'

We have been, at one time or another, taxing all the

gratuitous services which He has rendered to us in the various and bountiful productions of nature,—except, air—many of these we still continue to tax.

We select for heaviest taxation those which are most needful for the poor, thereby making the tax most oppressive on those who are least able to bear it.

We justify this on the ground of necessity;—a good ground, if true.

But,—Is it true?

As already shown,—It is not true.

There never can be a necessity for us to baffle the designs of Providence.

And—Can the creature ever baffle the designs of the Creator?

We can make the attempt, and that we do in many ways, but never without bringing down misery—remediless misery and suffering—upon ourselves and others.

When we see clearly, in the laws of nature, the provisions of a merciful Providence for our welfare and comfort, we, as rational human beings, shall cease to frame our laws with a view to counteract those beneficent designs.

We shall think it wiser and better to make our laws,—as far as we can,—in concurrence with the Divine—to declare that the gratuitous services of nature shall be free to all.

We shall see that the rights of property will thereby be in no way infringed.

We shall see the folly of attempting to benefit the few, by inflicting injury on the many.

We shall distinguish between Utility, and Value.

We shall take from Value when realised, and ascertained, and leave Utility free and undiminished.

Thus,—for example:—

Why tax the Ship?—the Utility, and Value—the utility (the Ship) an abstract,—and the value (the

Ship) a concrete of man's efforts, or services, and, therefore of value.

Why tax the utility?

Why tax the efforts, or services, before the value has been ascertained?

Why not tax the value, when ascertained,—by the yearly profits when realised?

Why not tax machinery, coals, crops, etc.?

Why not tax the value, when ascertained,—by the yearly profits, when realised?

Why tax utility, or the gratuitous services of nature?

Why tax man's efforts, or services?

Why not wait, and tax the value, when ascertained, by the profits, when realised?

Then the value is ascertained without question or dispute, without fraud or perjury.

All the *utilities*, and *services*, are producing value.

Diminish these, or any of them, by limitation or obstruction,—by impositions or restrictions,—and you annihilate, or prevent, or diminish,—value.

Tax the Ship, and you so far limit labor, diminish trade, and annihilate commerce.

Tax machinery, coal, crops, etc., and the tendency is, to starve the laborer, the artizan, the manufacturer, the merchant, the agriculturist—to undermine all the property—to stop, or impede, all the sources of wealth,—in the kingdom. You have only to lay on the tax heavily enough. The amount of the tax cannot affect the principle.

It is through such injustice as this that such writers as Proudhon have found favor when, in their folly they have exclaimed:—"La propriété c'est le vol!"—verifying the old proverb:—"One fool makes many."

But the worst folly is that which makes the greatest number of fools;—and that is the gigantic folly of all Governments of the world!

As Adam Smith made value reside in matter, he could not conceive capital as existing otherwise than in an accumulation of material objects.

How, then,—as Bastiat asks,—can we attribute value to services not susceptible of being accumulated, or converted into capital?

Among the different descriptions of capital, we give the first place to tools, machines, instruments of labor.

They serve to make material forces co-operate in the work of production; and, attributing to these forces the faculty of creating value, people were led to imagine that instruments of labor, as such, were endowed with the same faculty, independently of any human services.

Thus, the spade, the plough, the steam-engine, were supposed to co-operate simultaneously with natural agents, and human forces, in creating not only utility, but value also. Who, then, is to receive that portion of value which is independent of all human services?

The error of Proudhon, viewed scientifically, has its root in the prior error of Adam Smith. Capital, like natural agents, considered in itself, with reference to its own proper action, creates utility, but never creates value. The latter is essentially the fruit of a legitimate service. In the social order, capital is not an accumulation of material objects, depending on material durability, but an accumulation of *values*, that is to say, of *services*, and, in the business of exchange, there is nothing but a *mutuality of services*.

So Adam Smith and his disciples have assigned the principal value to labor under the condition of materiality.

Value must have reference to *effort*, a word more comprehensive, and, therefore, preferable to labor.

But value can spring only from efforts exchanged—from reciprocal *services*; because value is not a thing having independent existence, but a relation.

The word, *service*, implies necessarily, the idea of transmission, for no service can be rendered which is not received. It implies also the idea of effort, without taking for granted that the value is proportionate.

To say that, value resides in labor, induces us to suppose that value and labor are proportional, and services are reciprocal measures of each other.

This is contrary to fact, and a definition, which is contrary to fact, must be defective.

The value may be estimated as much by the labor saved, as by the labor performed.

Ships, carriages, steam-engines, and other machines, —the instruments of labor,—are, like the soil, producers of *utility*. If that utility have value, it is paid for. The word, value, implies right to payment. But to whom is the payment made? To the proprietor of the machine, without doubt. Is it for a personal service? Then, say at once, that the value is in the service. But, if you say that it is necessary to make a payment first for the service, and a second payment for the utility produced by the machine, independently of the human action which has been already recompensed,—then, as Bastiat asks,—to whom does this second payment go, and how has the man, who has already been remunerated for all his services, a right to demand anything more?

The truth is, that the *utility*, which is produced by nature, is *gratuitous*,—and, therefore, *common*, like that produced by the instruments of labor.

It is *gratuitous*, and *common*, on the condition that we take the trouble—that we render the service—of appropriating it; or, if we give that trouble to, or, demand that service from, another, that we cede to him in return an *equivalent* service.

Thus, it will be seen, as Bastiat says,—*utility* is complex,—one part we owe to the action of nature, another the action of man. With reference to a given result,

the more nature has done, the less remains for human action to do.

The co-operation of nature is essentially *gratuitous*—the co-operation of man, whether intellectual, or muscular,—exchanged, or not,—collective, or solitary,—is essentially *onerous*, as the word, *effort*, implies.

As what is *gratuitous* cannot possess *value*, since the idea of value implies onerous acquisition, it follows that the notion of value would be erroneously conceived, if we were to extend it, in whole, or in part, to the gifts or to the co-operation of nature, instead of restricting it exclusively to human co-operation.

We are told that utility is the foundation of value, and as utility is inherent in the air, we are led to think that it is the same in regard to value. Here is an evident confusion of ideas. The value springs exclusively from the service rendered.

If, in laying down the principle, that utility is the foundation of value, the meaning be that, the service has value because it is useful to him who receives it, and pays for it, this is only a truism implied in the word, *service*.

But we must not confound the utility of the air, with the utility of the service. These are two utilities distinct from each other,—different in nature, different in kind,—which bear no proportion to one another, and have no necessary relation.

There are circumstances in which, with very slight exertion, by rendering a very small service, or saving very little trouble, I may bring within reach of another an article of very great intrinsic utility. As in the case before mentioned, of the glass of water brought to the man dying of thirst. Or, in the case of the diving-bell, which furnishes air to the diver.

We must have a point of comparison, and that can only be in the *service* rendered in return. The reciprocal

demands will depend on the relative situations, on the intensity of the desires, on the greater or less need, and on a multitude of circumstances which demonstrate that the value is in the service, since it increases with the service.

It is in the services thus compared, that value resides, and not at all in natural utility. The exertion may be more or less great;—that makes a difference in the value, not in the utility.

All this is so admirably summed up by Bastiat, that it is here given in his own words:—

"Let us accustom ourselves to distinguish utility from value. Without this there can be no Economic Science. I give utterance to no paradox when I affirm that *utility* and value, so far from being identical, or even similar, are ideas opposed to one another.

"Want, effort, satisfaction;—here we have man regarded in an Economic point of view. The relation of utility is with want, and satisfaction. The relation of value is with effort.

"Utility is the good, which puts an end to the want by the satisfaction.

"Value is the evil, for it springs from the obstacle which is interposed between the want and the satisfaction. But for these obstacles, there would have been no effort either to make, or to exchange; utility would be infinite,—gratuitous and common, *without condition*, and the notion of value would never have entered into the world.

"In consequence of these obstacles, utility is gratuitous only on condition of efforts exchanged, which, when compared with each other, give rise to value. The more these obstacles give way before the liberality of nature, and the progress of science, the more does utility approximate to the state of being absolutely common and gratuitous, for the onerous condition, and consequently the *value*, diminish as the obstacles diminish.

"All that *serves* us is *useful;* and, in this respect, it is extremely doubtful whether there be anything in the universe (whether in the shape of forces or materials,) which is not useful to man."

It would exceed the intended limits of this Work to apply these great truths in detail to the subject immediately under consideration. Our readers must, therefore, make the application for themselves. They will easily see how these truths confirm the views here set forth on the subject of Taxation.

These views were formed and made public by the Writer of these pages, many years before he had ever heard the name of Bastiat; but the value of the service which he has conferred upon mankind, or, to express it more correctly,—the utility of his gratuitous service to mankind, will render his name illustrious to all posterity.

We have here referred to his discoveries in Economic Science not because we consider them necessary for elucidating our views, for these are so simple as to require only to be plainly stated. We have referred to the truths so ably advanced by Bastiat, because these are in perfect accordance with, and confirm our views—because we would not ask any one to take and adopt them on our authority alone—because we would have them taken and adopted on the highest authority—and because we would have those who are not yet acquainted, make themselves acquainted, with the writings of Bastiat, that they may see for themselves that the views which we have advocated are founded on the truths which he has so clearly brought into the pure light, and also see that, the acknowledgment of the one, is the admission of the other.

Many Financial Reformers think this a good answer to the question :—

"What Is Value?"

And to those who still ask :—

"Why Not Tax Ships?"

We can only answer—"We cannot tell."

But many Financial Reformers, who think these are good answers, say that it is premature, and useless to advocate these views, until we have obtained Reform in Parliament.

We do not agree with that opinion, and we will meet that question under its own proper head.

REFORM.

However much it is to be desired that the representation of the People in Parliament should be established on a broader basis, and that the purity of Elections should be preserved by means more efficient than the present; still, it must, in truth, be admitted that, the popular cry for this reform is neither so loud, nor so well sustained, by the People at large, as might have been expected, considering the importance of the subject, and the necessity of the case.

This may be accounted for in two very different ways:—Either the People may be so well contented with their present position as to desire no change; or, they may be so dissatisfied, and so hopeless of any change for the better, as to be indifferent to all attempts at change.

In the former case, there can be no very urgent necessity for any change; in the latter, the necessity for some change is most urgent.

If the People cannot see any certain improvement in their condition from Reform in Parliament, it is not much to be wondered at if they trouble themselves very little about it.

If those who are so eager for Reform in Parliament would have the concurrence of the People, and their active support, it is only reasonable that the People should

know beforehand what share they are to have in the benefits from the change.

To expect the People, who are struggling for their subsistence, to take a very active part in another hard struggle, without telling them what they are to get by it if they succeed, is not quite reasonable.

If they be told that they are to get the purchasing power of their wages raised 50 per cent.—that for the same money they will have more than double the quantity of all the necessaries and comforts of life; and further, that the money rate of wages will be raised throughout the country;—that they will get 2½ pounds of Tea where they now get one pound—3½ pounds of Sugar, where they now get one pound—6 pounds of tobacco, where they now get one pound—a quart of good home-brewed Beer, where they now get half a pint of bad brewer's beer—a bottle of light wholesome Wine, where they now get a wine-glass of a heady and unwholesome mixture called Wine—pure Spirituous liquors, instead of spirits of wine diluted with poisonous compounds—that they will get all the necessaries, many of the comforts, and some of the luxuries of life, in exchange for their labor and skill—if they be told all this, and if they believe it possible,—can any one doubt the spirit and determination with which they would enter into such a struggle?

The fact is, as well summed up by Mr. Bright, in the few but expressive words of his Letter of the 10th October, 1859, addressed to an Association of small householders in Birmingham:—"There is something essentially mean, and singularly cruel, in the manner in which the taxation of this country has been, and is still, levied. Our rich class is the richest in Europe; the administration of the country is in its hands, and a greater proportion of the heaviest taxation in the world is thrown upon the class possessing no property but its labor and its wages, than is the case in any other country."

This is the true state of the case, and, unless it be for the removal of this evil, it is difficult to convince the People that they have any immediate interest in the question of a Reform in Parliament. It must be a matter of the utmost indifference to them which political party is in power, if both parties be seeking power only for their own party purposes.

It is all very well to talk of extension of the franchise, and purity of election, and these are very good aims; but these are only means to an end; and, what is the end? The real question is in the Taxation of the Country. This is a question affording the broadest base for a great public movement,—involving a great public revolution, for a great public good. For this, when understood, a favorable expression of public opinion may be expected. Here is nothing to set class against class, but quite the contrary. The object is, to unite all classes in one common interest, for their common good. Their interests are now opposed, being brought into opposition by unjust and impolitic measures, which lay the heaviest share of the burden of taxation on those who are least able to bear it. It is proposed to place the burden equally on all.

If the question be kept on this broad and distinct basis, there is every reason to expect that, in the end, reason and justice will prevail.

When the People understand the actual position of things—the evils, and the remedy—they will make the case their own.

They will take the remedy, which is, and always must be, in their power.

They will proclaim free labor, and free trade, and they will act up to that principle, by insisting that, it be carried out in practice. They will declare all labor, all trades, all professions, to be part of the stock in trade of the country, and, as such, free from all taxes.

They will abolish all indirect taxes, and substitute one sufficient direct tax on all properly taxable property, that is, when *realised.*

This is all that need be done, and when this is done, very few will concern themselves about Reform in Parliament, which, in truth, is but a means to this end. Whether this end will ever be accomplished without this means, is another and very doubtful question.

The necessary revenue of the State being taken directly and wholly from the realised property of the country, all other descriptions of property, and all labor and skill, would be free from any Government tax, or interference.

The freedom of labor and trade would then be a realised fact, instead of being, as it now is, a pernicious deception.

Our labor and trade being free, the demand for our manufactures, both for home and foreign consumption, would then increase so far beyond all past experience as to be beyond all present calculation.

The demand for labor would then be in proportion to that increase, and the rate of wages would increase in proportion to the demand.

The money value, or purchasing power, of wages would be raised to nearly three times the present amount —*i.e.* the common laborer, with his half-crown a day, and the skilled workman, with his five shillings a day, would then be able to purchase nearly three times more of the necessaries, the comforts, and the luxuries, of life, than they can now.

Nor could the rate of wages be thereby reduced, because (as already shown,) the rate of wages is not regulated by the price of provisions, but by the demand for labor.

The heaviest of the Local Rates—the Poor Rate—as before shown—would be diminished in proportion to the

diminution of Pauperism throughout the country. The principal claimants on the Poor Rate would then be, the aged and infirm Poor, and the deserted and orphan children.

The heaviest of the County Rates would then be diminished in proportion to the diminution of misery and crime in town and country.

The moral consequences of this improvement (which would far outweigh the pecuniary) would be carried into every house and cottage in the kingdom, to the improvement—it is to be hoped—of every inmate.

Concurrent with the worldly prosperity of all classes —we may hope—would be the moral improvement in all classes.

The tendency must be, and the effect—we may hope —would be, to bring all classes more closely together, and to hold them together by the common bond of mutual interest.

The poor will always be with us, but they need not always be a great burden upon us.

The prosperity of a Nation consists in the united power of its People.

Union constitutes strength.

In this strength is safety.

The rights of the People acknowledged and respected, the People would then honor and respect the Aristocracy, as the Golden Pillar of the State, and the Monarchy would be upheld with honor by a united and devoted People,—the best and only safe defence.

With a suffering and discontented People, there can be no safety for the Monarch, or the State.

There can be no security for the Ship which depends on its anchor, if the cable, which holds it in the storm, has a flaw in one link.

The weakest part of the chain is the strength of the whole.

The doctrine of peace has been proclaimed, but has never yet been practised.

No Peace Congress will ever avail, until mankind recognize in their hearts, and acknowledge in their dealings, the bond of mutual interest.

To deal freely, kindly, and honestly, with one another, would be a great step towards fulfilment of the Divine command,—"Love one another."

It may well be doubted whether glass beads, knives, and hatchets, have not done more to introduce this Christian doctrine among the savage heathen, than all the labors of the missionaries.

The ground must be prepared before the seed can be well sown.

The plough must first turn up the soil to fertilize it, and prepare it for the seed.

Like unto this is the preparation of the human mind, for its cultivation.

The arts of civilization cannot be planted to grow, without preparation.

If you would have Peace, you must prepare with Free Labor, and Free Trade.

We have seen what Free Labor means.

Now,—What does Free Trade mean?

This shall be shown under its own head.

WHAT IS FREE TRADE?

A radical antagonism exists between buyer and seller. The one desires that the article on sale should be rare and at a high price; the other desires abundance and a low price.

The law, which ought, at least, to be neuter, takes part with the seller against the buyer—with the producer against the consumer—or, for the dear against the cheap market—for scarcity against abundance.

The law, if not intentionally, at least logically, proceeds on this assumption:—A nation is rich when it wants everything. For, they say;—It is the producer that must be favored, in securing for him a good market for his produce. For *that* the price must be raised: to raise the price the supply must be restricted: to restrict the supply is to create the want.

Now, suppose that, at the present time, an exact inventory were taken, not in value, but in weight, measure, volume, quantity, of all the articles existing in the several nations of civilized Europe and America, necessary to satisfy the wants and the taste of the inhabitants,—such as corn, wine, viands, fabrics, linen, wool, silk, iron, coal, and other minerals, native and colonial, productions, manufactures, etc.

Suppose all obstacles to the introduction of foreign products into these countries suddenly removed. And, to appreciate the result of this change, suppose another inventory to be taken at the end of six months afterwards.

Is it not true that, in all these countries there would be found to be a great increase of many of these necessary articles in the second inventory? So true it is that all protection tariffs have no other end or object than to hinder the mutual exchange between nations of these necessary articles,—to limit the supply of them—to *prevent* cheapness and plenty.

Now, are the people better fed under the dominion of these laws because there is less bread, less food, less tea and sugar, and less of other necessaries of life in the country? Are they better clothed because there is less cloth, less linen, woollen, and silken fabrics? Are they better warmed because there is less coal? Are they better helped in their labours because there is less iron, tin, copper?—because there is less supply of tools and machinery?

But, says the Protectionist;—the foreigner—if he *inundate* us with his products,—will carry away our money. What if he do?

Man is not fed with money;—he is not clothed with gold, nor warmed with silver. What matter, whether there be more or less of money in the country, if there be more bread in the cupboard, more meat in the larder, more linen in the press, and more coal and wood in the cellar?

Thus, the advocate of restrictive laws is reduced to this dilemma:—Either he admits that he causes a want of the most necessary things of life; or, he does not admit it. If he admit it, that is an avowal that he commits the greatest evil which it is possible for him to commit against the people. If he do not admit it, then he denies that he has limited the supply, raised the price, and, consequently, he denies that he has favored the home producer. He is, therefore, unfortunate or inefficient. He cannot be useful.

Now, what was the state of the British Parliament when the *restrictive*, or *protective*, system was in full force in this country? One branch was entirely composed, as it still is, of agriculturists. The other principally of agriculturists, and their nominees; as well as great manufacturers, great merchants, great ship-owners, and great producers of all sorts. It was entirely a Parliament of Sellers, a vast, close, and corrupt combination. The great body of the people, *i. e.* the consumers, had scarcely any influence whatever in the Houses of Commons. The sellers had a complete monopoly of law-making, and their legislation was exactly what might have been expected. All the producers in turn were permitted, for their own benefit, to plunder the public. It was nothing less than a gigantic conspiracy of all the sellers, against all the buyers.

Happily, this state of things was, in a great measure,

abolished at last in this country. But not until the buyers had become so powerful and clamorous that their just demands could be no longer safely disregarded; and then, the change of system,—originated and forced into the public conviction by Richard Cobden,—was partially carried into effect by Sir Robert Peel, who, through his long previous political career, had been the prime mover and supporter of the old iniquitous system. But, with the other nations of Europe, where the liberty to misgovern is the principal liberty permitted, this old iniquitous system still prevails.

As Bastiat, in his "*Sophismes Economiques,*" has said:—

Mankind have an immoderate love of the enjoyments, the influence, the consideration, the power—in a word, of riches. At the same time they are impelled by an immense inclination to procure these at the expense of others. But those others, which are the public, have no less great inclination to guard what they have acquired, provided they can do it, and they know it.

Spoliation, which has played so great a part in the affairs of the world, has only two agents,—force and guile; and two limits—courage and skill.

Force, applied to spoliation, makes the foundation of the annals of mankind. To retrace it in history, is to reproduce almost the whole history of all people: Assyrians, Babylonians, Medes, Persians, Egyptians, Greeks, Romans, Goths, Franks, Huns, Turks, Arabs, Mongols, Tartars, without counting that of the Spaniards in America, the English in India, the French in Africa, the Russians in Asia, etc.—But, at least, among the civilized nations, the people who produce the riches are become sufficiently numerous, and sufficiently strong, to defend them. Does that mean that they are not despoiled? By no means. They are still despoiled as much as ever; and what is more, they despoil each other.

Only the agent is changed; it is no more by force:—it is by guile they seize the public wealth. To rob the public, it is necessary to deceive them. To deceive them it is necessary to persuade them that the robbery is for their advantage; it is to make them accept, in exchange for their goods, fictitious services, and often worse. Thence, sophistry,—sophistry theocratical, sophistry economical, sophistry political, sophistry financial. Then, since force is held in check, sophistry is not only an evil, but it is the genius of evil. It is necessary to hold it in check in its turn. "*Et, pour cela,*"—to use the words of Bastiat,—"*il faut rendre le public plus* FIN *que les fins, comme il est devenu plus* FORT *que les forts.*"

On the subject of commercial policy, nations seem determined to exhaust every modification of folly and absurdity, before they finally arrive at the simple and cardinal rule which the French merchants announced to Colbert, more than a century and a half ago, when he asked their advice and opinion, how he could best promote commerce,—"*Laissez-nous faire:*"—"LET US ALONE;"—before they have faith in the simple truism that,—men have generally the intelligence to discover and act for their own interests, far better than any government can do it for them.

Benjamin Franklin, when enforcing the maxim—'*Pas trop gouverner,*'—quotes this well known answer of the merchants to Colbert,—and adds:—"It were to be wished that commerce was as free between all the nations of the world, as it is between the several counties of England: so would all, by mutual communication, obtain more enjoyments. Those counties do not ruin one another by trade; neither would the nations. No nation was ever ruined by trade; even seemingly the most disadvantageous. Wherever desirable superfluities are imported, industry is excited; and therefore plenty is produced. Were only necessaries permitted to be

purchased, men would work no more than was necessary for that purpose."

What can exceed in folly and absurdity the present system? At a time when all the genius and science of the world are occupied in seeking to economize the means of transport,—at a time when, to realize these economics, the mountains are removed, the valleys are filled up, and the roads are levelled;—when the steamboats are brought to perfection;—when, from all the great cities and towns, the iron roads radiate in every direction; at the very time when it might be supposed that all are seeking with ardor and sincerity the solution of this problem:—"How to make the price of things at the place of consumption approach as nearly as possible to the price of the same at the place of production"—is it not wonderful that the same people unite to defeat this object, by raising up other and artificial barriers?

Now, for an example, and to avoid the prejudice of local interests, take the case of our neighbors on the Continent, in France and Belgium. This is the case given by Bastiat, in his "Economic Sophisms."

Why is the cost of an article manufactured at Brussels, for example, dearer when it arrives at Paris?

It is not difficult to see that this arises from obstacles of different kinds which exist between Paris and Brussels; that these cannot be overcome without loss of labor, and loss of time; and that they must submit to these losses, or pay others for submitting to them. Rivers, marshes, mountains, rocks, earth, and mud, are some of the difficulties to be surmounted. This is accomplished by constructing roads, building bridges, piercing tunnels, and diminishing resistance by iron lines, etc.—But all this costs money, and the article transported must pay its share of the cost. There are thieves by the way, and this requires a gendarmerie, a police, etc.

Now, among these obstacles, there is one which our

neighbors themselves have raised at a great expense, between Brussels and Paris. There are men in ambuscade along the frontier, armed to the teeth, and charged to oppose difficulties to the transport of goods from one country to the other. These are called, '*Douaniers*.' They act exactly in the same way as mud and ruts. They retard and shackle. They contribute to the difference before noticed, between the price of production, and the price of consumption—a difference which it is our problem to reduce to the utmost possible.

And here is the problem solved:—Remove the tariff, or, at least, diminish it. You will then have made the Railway of the North without its having cost you anything. Moreover, you will save the heavy expenses, and you will begin from the first day to draw your capital into your pocket.

Truly, it is wonderful that it should enter into the heads of our neighbors to spend so many millions to remove natural obstacles which interpose between France and the foreigner, and at the same time to pay so many other millions to substitute artificial obstacles which have exactly the same effects, so that the obstacle created, and the obstacle destroyed, neutralize themselves: the things go as before, and the result of the operation is, a double expense.

A Belgian product is worth at Brussels 20 francs, and, delivered at Paris, 30 francs, because of the expenses of transport. The same product of Parisian industry is worth 40 francs.

What do they do?

First, they put a duty of, at least, 10 francs upon the Belgian product, in order to lift up the price at Paris to 40 francs; and they pay a number of servants to take care that it does not escape the duty; so that, in its course, it is charged 10 francs for the transport, and 10 francs for the tax. That done, they reason thus:—This

transport, from Brussels to Paris, which costs 10 francs, is very dear. Let us spend two or three hundred millions of francs on a railway, and we shall reduce it half. Evidently, all that they would have gained would be that, the Belgian product would be sold at Paris for 30 francs, that is to say:—

Price at Brussels	20 francs.
Duty	10 „
Carriage, reduced by the railway.....	5 „
Total, or Price of Deposit at Paris	35 francs.

Now, would they not have attained the same result by lowering the tariff to 5 francs? The account would then stand thus:—

Price at Brussels	20 francs.
Duty reduced	5 „
Carriage by the ordinary road	10 „
Total, or Price of Deposit at Paris	35 francs.

And this last proceeding would have spared 200 millions of francs, the cost of the Railway, over and above the expenses of the Custom-house Officers, for these ought to diminish in proportion to the removal of temptations to smuggling.

But, say our neighbors, the duty is necessary for the protection of Parisian industry. Be it so. But, then, do not destroy the effect of your own railway. For, if you persist in wishing the Belgian product should mount, like that of Paris, to 40 francs, you should raise your duty to 15 francs, and the account would then stand thus:—

Price at Brussels	20 francs.
Protection Duty	15 „
Carriage by the Railway	5 „
Total Price, equalized	40 francs.

But, then, what is the use of the Railway?

Now, suppose the Railway made, and all other obstacles removed; and, then, suppose the same question asked:—What is the use of the Railway?

Is it not something humiliating for the 19th century to be preparing for future ages such practical puerilities as these, with imperturbable gravity?

To be the dupe of another is far from pleasant, but to employ the vast machinery of representation to dupe oneself, and to dupe oneself doubly, and in an affair of simple numeration, here is something to beat down a little the pride of this *enlightened age!*

And this is what all the civilized nations of the world are doing to themselves, and to others! Doing to others as they do to themselves—but not intending it. All dupes and victims! What a picture of civilization! How hopeful! How encouraging!

But we are beginning to see that, in the carriage of goods, that which renders the transport onerous, acts in the sense of protection; or, to turn the sentence, if preferred,—that protection acts in the sense of all that which renders the transport onerous.

It is, then, true to say that, a tariff is a marsh, a mud-rut, a rough declivity;—in a word, an *obstacle*, the effect of which is, to augment the difference of price of consumption, to the price of production. It is even incontrovertible that a marsh, a quagmire, etc., are true protection tariffs.

There are some persons (a small number, it is true, but there are some) who begin to comprehend that obstacles, though artificial, are not less obstacles; and that our well-being has more to gain from liberty than from protection, precisely for the same reason which makes a canal, or a railway, more favorable than a deep sandy road. "But"—say they—"it is essential that this liberty should be reciprocal."

They say—"If we lower our barriers before France, without France lowering before us, evidently we shall be the dupes. Let us, therefore, make *treaties of commerce* upon the basis of just reciprocity—let us concede, that they may concede to us—let us make the sacrifice of buying, to gain the advantage of selling."

The persons who reason thus, whether they know it, or not, advocate the principle of protection, only they are a little more inconsequential than the pure protectionists, as these are more inconsequential than the absolute prohibitionists.

But the truth is that, all the selfish passions, which other controversies call forth, are at work here. All the devices and stratagems of party warfare are in requisition in the 19th century, as in the 9th, and may serve to show to all men how little love they have for one another.

Most men see evils in change, especially if it seem likely to affect themselves prejudicially, and they do not see the good to others. They do not see that there must be a compensation for every evil in God's universe; that all things must work together for good to them that love Him. That which affects a society for good or for evil, must affect every member of it for good or for evil.

The very test of the difference between one member of it and another, is the use which he makes of this great law of nature,—the interpretation which he puts upon it,—the earnestness with which he lays it to his heart as a message and a law to himself.

Assuredly it is no contradiction of the Great Teacher,—it does not jar with any conception which we receive from Him, to say that, though on earth we may fancy ourselves under a law of selfishness—though here we may act as if we had no ties and relationships to those who surround us,—when we close our eyes on the things

with which they have been familiar, we pass into a region where it will be impossible any longer to think that we can escape from that Divine Law of Love which binds man to man—which binds earth and heaven together.

Free Trade has been reproachfully termed a theory. But the truth is that, there is much more theory about the doctrine of Protection, than about Free Trade. Free Trade is the state of Nature. Protection is an attempt to make things better than Nature made them.

Free Trade existed before Protection, and will, probably, exist after it. The burden of proof lies not on those who advocate letting people alone to manage their own affairs, but on those who advocate an interference with them by the State. The arguments by which men attempt to do this constitute the theory of Protection.

THE OBJECTIONS OF MR. NEWMARCH ANSWERED.

Financial Reformers regret to find an opponent, instead of an advocate, in one whose name is so honorably associated with that of the late Mr. Tooke.

Mr. Newmarch, who presided over the Economic Science and Statistics Section of the British Association at Manchester, 9th September 1861, condemned the principle of DIRECT Taxation as unsound, and inapplicable to this country.

He appeared to preside over that meeting not so much for receiving the opinions of others, as for expounding his own views;—not so much for promoting inquiry, as for suppressing it.

Mr. Newmarch, in the early part of his speech,—as reported in the 'Times' newspaper,—said:—"There was a great difference, for instance, between a country like our own, where the great mass of the population were dependent upon wages earned from trades of the most

varied kind, and a country like France, where the great mass of the population were dependent upon the occupation of the land, that land, to a great extent, being their own property.

There was a very broad and marked distinction between the two cases; for a system of taxation which might be wise and prudent as regarded ourselves, would not be a good system as regarded France, and *vice versa.*"

Why not? or, in what cases not?

The Land of France is taxed, as property, to the many holders of it in small quantities; why should not the land of England be as heavily taxed per square mile, to the fewer holders of it in large quantities?

The mass of the people in France are landowners.

The mass of the people in England are dependent on Wages.

Why, then, are the mass of the people in England to be taxed upon their pairs of hands, that those who hold the land may hold it lightly taxed?

Mr. Newmarch then went on to comment on what he called the three leading theories, which had been put forth at different times, by men of various degrees of eminence. "But he was bound to tell them (his audience) that none of those opinions would carry them very far in solving the difficulties they had to encounter. As to paying in proportion to the protection received, they would very soon find themselves arrested by a class of cases with which they could not deal. The protection *must be* measured either on *the basis of what a man saved; or, what he spent.*"

Why must it?

We say, a man should be taxed on the basis of the property of which he is an owner.

If John's Uncle leave him property worth £1000, and John be taxed on it, he is not taxed on what he spends,

nor on what he saves; unless Mr. Newmarch means, by what he saves,—what he in any way owns,—which his illustrations do not seem to show.

Then, again:—What does Mr. Newmarch mean by the word,—to *spend?*

His illustration would show that it means with him,—to waste, or annihilate income,—to give it for that which cannot remain with one as capital. As if a man were to give his income for fire-works, and explode them. Who in the world could want State protection for such a non-entity as wilfully lost wealth, after it is lost? If a man spend his income in the form of money for permanent goods, he remains, as regards property, *in statu quo.*

Thus, Mr. Newmarch proceeds, and he gives this illustration:—

"Taking it on what was spent, three cases, not uncommon, started up: A, having £1000 a year for ten years, spent the whole of it. B. having the same income, spent £100 a year, and saved £900, C, having the same income, spent in ten years £1000 out of his capital, as well as his income. Now, if these men were taxed according to what they spent in the first year, B. would pay one-tenth as much as A, and would receive twenty times as much protection. On the other hand, C. would pay each year ten times as much as B, and in ten years would be a beggar; whilst B. would have amassed a fortune."

Such is Mr. Newmarch's reasoning, and here is his illustration again:—

"Measuring the protection according to what a man saved, they had these difficulties:—A. would have a house and premises ten times larger than B, and pay no tax whatever, because he saved nothing: B. would pay ten times more than A., because he had nine times more capital accumulated; and C. would be worse off than A, as in the ten years his income would wholly cease, and whilst A. paid no tax, C. would have been mulcted of a

large part of his temporary and expiring revenue. So much for basing taxation on the measure of protection afforded."

The answer to this may be given shortly in another illustration:—If A. had a large house of his own, he should be taxed for it, B. would be taxed more and more on his increasing property; and C. less and less on his decreasing property. B. would be taxed highly as rich, and C. lowly as poor. Would there be a greater wrong to B, in this case, than there is to the industrious man from the Income Tax, against which Mr. Newmarch makes no objection?

If A. and B. are men of the same business, in which each has won an income of £1000 a year; and then, for three years, while A. continues a good careful man, B. becomes a worthless rake, and earns nothing, the Income Tax is remitted to B. as a bad citizen, and claimed from A. as a good one!

If a Property Tax be bad, how is an Income Tax good?

Mr. Newmarch thinks that a Property Tax, increasing in ratio with increased amounts of wealth, is the most objectionable and hazardous, inasmuch as it discourages the man who is industrious and frugal, etc.

But here are his own words:—

"The second plan, that of taxing a man progressively according to the amount of his income or property, seemed to him (Mr. Newmarch) the most objectionable and hasardous of all the schemes suggested as the basis of fiscal legislation,—insomuch as it discouraged the man who was virtuous and frugal, and conferring the greatest possible benefit by adding year by year to the accumulated wealth of the country."

Does not a tax on labor equally discourage the laborer?

Still, if the working man win only £40 a year, his income tax is zero.

If he win £100 a year, his tax is something—call it x.

Does this known fact hinder men from trying to make £100 a year, or from taking an office of a high, and, therefore, a taxed salary? And if a man be not wholly discouraged from winning a higher income by the fact that he will thereby raise his taxation from o to x, why should he be more discouraged from making capital by the fact that he may thereby increase his taxation from x to $x+n$?

A tax on earnings, or on property, may be discouraging to the laborer for wealth, but we should feel it a greater hardship to have taken from us by the tax-gatherer, a tenth of our half year's earnings, than of our half-year's rent.

Mr. Newmarch then proceeds to say :—

"It was no part of the business of the legislature to interfere with varieties of personal fortune. Whether a man was rich, or poor—whether he was eminent, or lived in obscurity—these circumstances were regulated by a higher power, and were circumstances which a wise legislature would not do more than recognize, but would not interfere with."

Indeed! Why, then, does the assessor now compel a man to tell him what income he has from Schedule A. and B. and every other source?

Mr. Newmarch then went on to declare that, the plan of placing the whole taxation of the country on realised property, seemed to him subversive of some of the most fundamental rules which applied to men in society."

And then, by way of reasoning in support of his opinion, he adds :—

"In a great mass of cases, the property people possessed had been fairly earned, and he confessed that, so far, he had not heard, and should be very much surprised if he did hear, any valid reason why the expense of

conducting the affairs of the community should be borne by a class of that sort."

So have wages been fairly earned.

Who ever proposed that "*the whole* expense should be borne by a class of that sort"?

Mr. Newmarch then proceeded to take an off-hand sort of review of the existing taxes, which he classified in his own way, taking "something like nine millions, under the head of Customs," as taxes on extravagance, viz.—"spirits, tobacco, and wine, which, by the general admission of financial writers, were regarded as the fairest subjects of taxation; some of them being matters of superfluity and extravagance, and some objects of consumption which it was not desirable to extend. None of them would like to see the revenue from spirits diminished."

Yes!—some of them would.

"There were first, *moderate duties on tea,* coffee and sugar, 13 millions. He called these taxes moderate, as contra-distinguished from excessive."

Let Mr. Newmarch define *moderate* and *excessive.*

"When the duty on sugar was 40*s.* per cwt. that was a tax of the worst possible description, because it interfered with the wholesale and retail trades; but a duty of 10*s.* per cwt., (the duty ranges from 12*s.* 8*d.* to 18*s.* 4*d.* per cwt.) could not be called excessive."

If 40*s.* be an evil, we should think 10*s.* an evil of at least one-fourth of its measure. It would be a curious proportion that—If 40 = something, then 10 = nothing!

Mr. Newmarch wants to see the tax on licences repealed, and the duty on malt and Fire Insurances reduced.

How would he make up the deficiency arising from their abolition?

By a tax on men's labour, or their property?

In conclusion, Mr. Newmarch said that, "in the matter of taxation there was no room for sentiment. The first condition was, justice to all classes alike, without distinction of rank or condition, rich or poor."

"Justice to all classes." Just so.

What is justice to all classes?

"No room for sentiment." Justice.

What is a sense of justice, but a sentiment?

It is as much a sentiment to feel that a rich man's property should not be heavily taxed, as that a poor woman's tea should not be heavily taxed.

Mr. Newmarch gives few definitions, or rather, none; and more opinion than reasoning.

He talks of taxes on extravagance without defining extravagance.

In goods, strong drinks are extravagant to teetotallers; animal food to vegetarians; fine black cloth to wearers of wadmel; and silk to women content with cotton.

Mr. Newmarch seems to have taken advantage of his position as President of the Section, to dogmatize without reasoning,—nay, against both reason and fact;—in short,—to have dealt unfairly with his subject, as he did with his opponents.

INCOME AND PROPERTY TAX.

DUNCAN MACLAREN, ESQ.

This intelligent Gentleman, an eminent merchant at Edinburgh, whose opinion has been before referred to, has expressed his views on this subject in a Report to 'The Edinburgh Chamber of Commerce,' proposing "A "Just and Simple Mode of Laying On The Income and "Property Tax;" and this was "adopted by the Chamber "as their Report, on 5th February, 1862."

Mr. Maclaren speaks well of the injustice of the Income Tax as it now stands.

He says that, it is not, as it is called, a tax on property, and that, it is unfair as taxing alike two kinds of income, which, as taxable property, are very unlike,—income from real property, and income from labor.

But the same form of syllogism which would show the present Income Tax to be unfair, would show that Mr. Maclaren's scheme of taxation would perpetuate in some form, the injustice he seeks to cast out.

For instance:—Taxable property of unlike kinds, as such, should not be taxed alike.

But income from real property, and income from labor, are of unlike kinds.

Therefore, they should not be taxed alike.

Now, for a syllogism of the same form *against* Mr. Maclaren's taxation.

Taxable property of unlike kinds should not be taxed alike.

But Property which yields Income, and the Income which it yields, are of unlike kinds.

Therefore, they should not be taxed alike.

The injustice of the equal taxation of income from property, and property itself, will show itself in a case such as that—

A. has a real property of £1000, which yields him an income of £50 a year, from the labor of others, as in Rent.

Then, let *t* represent the taxation of a pound under Mr. Maclaren's scheme, and A. will pay, as his tax, £1050 *t*.

Now, let B. have a property of £1000, as a capital, or stock in trade, and by working his property himself, let him make a yearly income of £150.

Then he will pay, as his tax, £1150 *t*, or £100 more than A.

For what?

For his labor only.

Here, then, is still the unfair taxation of labor.

If this show Mr. Maclaren's scheme to be bad, there is no need of taking up for refutation the details of it.

A friend of the Author,—and there is no reason why he should not here mention his name—The Rev. William Barnes, Rector of Kame, 'The Dorsetshire Poet,'—*par excellence*—has so ably illustrated the Author's own views on this part of the subject, in a private Letter to him, that he has asked and obtained leave of his Reverend and Learned Friend to give it in his own words, as the best answer which can be given, in a few words, to Mr. Maclaren, and many others.

"I should divide property,—(quod proprium sit) into two triads, of three kinds each, and, therefore, into six kinds, each taxed in its income (or *fructus*) one ratio lower than the former one.

"To afford a one-sight glimpse of my meaning, I will write out six formulæ for the six kinds of property, and afterwards unfold the meaning of them.

FIRST TRIAD.

1. Property yielding income from (B.).
2. Property yielding income from (B.+A.).
3. Property yielding income from (A.).

SECOND TRIAD.

1. Ownership yielding income from (B.)
2. Ownership yielding income from (B.+A.).
3. Ownership yielding income from (A.).

"Now, '*Property*,' in the first Triad means alienable property that outlasts the life of the owner.

"And '*Ownership*,' in the other Triad means property which is not alienable property, but some source of income that ends with the owner's life.

"(B.) means the hired labor of others than the owner.

"(A.) means the labor of the owner.

Then,—First Triad.

(1.) Property yielding income from B., is property yielding income by the labor of others;—as land, or railway shares.

(2.) Property yielding income from B.+A., is property yielding income by the labor of the owner and others;—as Farm-stock, yielding income by the labor of the owner and hired workmen.

(3.) Property yielding income from A., is property yielding income by the labor only of the owner;—as the horse and cart, or waggon, of a carrier, or the machine of a razor-grinder.

Then,—Second Triad.

(1.) Ownership yielding income from B., unalienable and life-long property,—yielding income by the labor of others than the owner;—as the grant of a pension from Government.

(2.) Ownership yielding income from B.+A., unalienable and life-long property, yielding income by the labor of the owner, and of others;—as a Church-living.

(3.) Ownership yielding income from A.,—unalienable property yielding income only from the labor of the owner;—as a life-right to fish with one's own hands in a certain water, or to kill rabbits in a certain warren.

"It may seem that the 2nd case is the same as this third. But, no. A Clergyman's tithes must be paid to the Clergyman from the labor of the Parish, whether he work like St. Paul, or work only on the Sunday.

"The reason why property yielding income by the labor of others should be more highly taxed than that which yields income only by the labor of the owner is, that it leaves him his whole time to win other income; whereas, the 3rd kind of property takes up its owner's time in the winning of its *fructus*.

"I should, therefore, tax these 6 kinds of property by 6 ratios of taxation,—such as:—

1. T.
2. T.— n
3. T.—2n
4. T.—3n
5. T.—4n
6. T.—5n."

The Author agrees with his friend in his premises, and his reasoning thereon; but not in his conclusion.

The Author, however, cannot dismiss his reverend and learned friend, without claiming some credit for his own candor, in thus setting forth the most specious argument he has ever seen against his own views; though some malicious readers may think that he has been less influenced by *candor*, than by a secret satisfaction at the *coup de grâce* here given to Mr. Duncan Maclaren.

But the Author understands his reverend friend's "6 ratios of taxation," to mean that, he would tax incomes by a sliding, or graduated, scale; *i. e.* a small tax for incomes earned by the taxpayer's own labor,—a larger tax for incomes won only partly by the taxpayer's labor, —and the largest tax for incomes won for him by the labor of others.

It is much to be feared that taxation, so regulated, would practically destroy relative proportion, and that would be a fatal error.

These few last words are all that need be said in answer to a large class of objectors.

JOHN GELLIBRAND HUBBARD, ESQ., M.P.

Mr. Hubbard is another, and now the most famous of the dissentients to the Income Tax. He is a Member of Parliament, a Director of the Bank of England, and was Chairman of the Select Committee of the House of

Commons on Income and Property Tax, obtained on his Motion, in 1861. Moved by a laudable desire to remove some of the defects of the existing Income Tax Act, he obtained—what he asked for—an Inquiry. That inquiry showed very plainly,—what everybody knew before,—the monstrous inconsistencies, and other defects, of this Act; but he totally failed in his object of showing the remedy, or, even anything in mitigation of the real evil, and he established,—what many knew before,—that the great evil and defects are incident to, and inseparable from, a Tax on Income.

Mr. Hubbard says:—"It is important to keep in view that, substituted in 1842 for taxes levied on articles of general consumption, the Income Tax has thus far assumed the character of a tax of compensation."

Why should this be kept in view, in the seeking of a just and equal form of taxation?

Taxes on food, for instance, might have been so far abolished, as being bad because unequal, and unjust as exacted from the wrong persons. It does not follow that a tax instead of it must fall directly on the same persons.

Again, Mr. Hubbard says:—

"Adam Smith's axiom,—'The subjects of every State ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State,' must be taken as the test of the true policy of taxation."

In proportion to *abilities*, that is, in proportion to *revenue*;—says Adam Smith;—and so says Mr. Hubbard.

But these are two different positions.

What does Mr. Hubbard mean by revenue?

"Ce qui *revient* à un homme;"—but whence? From property, or labor?

If from property only,—Mr. Hubbard advocates a Property Tax.

If from labor, whence did Mr. Hubbard get his meaning of *revenue?*

From Adam Smith?

The word '*revenue*' does not usually mean *Wages*, or *profits of trade*, though Mr. Hubbard seems to apply it to these forms of income.

Mr. Hubbard speaks well of definitions when he says: —"In this, as in many other questions, the controversy would be soon concluded if the disputants were agreed in their definitions. The subject of our consideration is an "INCOME" Tax. What is "Income" for the purpose of taxation? Not, assuredly, all that *comes in* to a man's possession in the course of a year. The income for which men may be taxed is, as Adam Smith says, "the revenue which they enjoy," or, in other words, the net income available for expenditure."

Most men understand this distinction between gross and net income.

But does Mr. Hubbard mean to say that, "the net income available for expenditure is properly subject to taxation?"

Again;—Mr. Hubbard says:—"The existing tax is "called the Property and Income Tax." Why it is so called is not apparent. It does truly, in many instances, tax both property and the income arising from that property, but it is not probable that to declare the special vice of the tax was the intention of its double name. Obviously, however, the same tax should not be a Property and Income Tax; and while a tax on the transfer of property may rightly be a Property Tax, occurring as it would at intervals of many years, so an annual tax necessarily payable out of income should be an Income Tax."

Certainly, it does not seem very apparent that, while it taxes a working man with no property, as heavily as it

taxes his neighbour with £2000 worth of property, it can be called a Property Tax.

Again;—"The fact that the Income Tax, as a tax of compensation—substituted (that is) for taxes which, attaching to articles of general consumption, affected alike (to the extent of their expenditure) the owners of property incomes and the owners of industrial incomes—is *conclusive* in establishing the liability of the latter to taxation within the specified limits."

We deny that it is at all conclusive. What! because a laborer is, or was, taxed, by indirect taxation, in food and clothing,—therefore, he must be taxed also by an income or property tax!

An amended form of taxation, forsooth, must reach the same classes and men, as a vicious form of it reached!

Ergo, any tax which Richard II. might have imposed, instead of the Poll tax, must have fallen on every wight above 15 years old!

And, on the other hand, the tax which now bears the burden which was borne by the old ship-money, the cost of the navy, should be confined to inhabitants of seaports!

Again;—Mr. Hubbard says:—"I am far from hoping that an Income Tax can ever be free from objections; the necessity of relying upon the co-operation of the taxpayers in the assessment of industrial incomes is a very grievous one, for the temptation to dishonesty must work evil, and the revision is proposed not so much with a view to the perpetuity of the tax, as to qualify it for its office when it is indispensable, by a very decided mitigation both of its corrupting influence and its unjust and unequal incidence. If this object be a desirable one, we must be content, for the sake of the great majority of cases which will obtain substantial justice, to tolerate some unimportant anomalies, and apparent inconsistencies."

Very good. But cease to tax industrial incomes, and then you get rid of "the necessity of relying upon the co-operation of the tax-payers," and you also get rid of "the very grievous temptation to dishonesty."

Again;—Mr. Hubbard says:—"Tithe rent-charge, with cure of souls, I have treated as an income contingent on a duty performed, and as the remuneration for that duty, I propose a specific allowance of £100."

This is property, acquired partly through the owner's own labor, and partly through the labor of others, and, as such, is taxable. As our reverend friend would say:—Property yielding income from the labor of the owner and others;—property of his second kind. So,—Mr. Hubbard finds himself driven to a Property Tax.

Again, he says:—

"Tithes, or commuted tithes, legally assessable in the hands of the payers, may, for convenience sake, be taxed in the possession of the receiver. The characteristic of all these incomes is that, consequent on the possession of the property from which they arise, they accrue spontaneously, and require no exercise of labor on the part of the owners."

Good grounds for a Property Tax, as our reverend friend would say;—Property yielding income from the labor of others;—property of his first kind.

Again;—Mr. Hubbard says:—"In the second class I place Incomes derived from the profits accruing from trades and professions, and for the purpose of assessment it is necessary to ascertain what proportion of such profits passes into the character of income, available for expenditure, and so far taxable."

We say that, there is no such necessity, and that it is impossible, and, if possible, inexpedient.

We say that, the whole "of such profits passes into the character of income, available for expenditure," and that no part is "taxable."

Again:—"Whether these profits are the receipts of the professional man, whose capital is in his cultivated knowledge—those of the trader whose capital is in his goods—or those of the manufacturer whose capital is in his machinery—the same essential feature characterizes them. The labor of these men is an indispensable element in the production of their profits; ability to labor is dependent upon life and health; their profits are, consequently, precarious; and in obedience to the suggestions of prudence, the owners of industrial and precarious profits apply a portion only of those profits as income to the purpose of expenditure. The residue of those profits passes into the character of capital, and, as capital, yields in the following year products for taxation."

These are good reasons for not taxing income, as such.

The suggestions of prudence often oblige the owners of industrial and precarious profits to apply the whole of those profits as income to the purpose of expenditure.

How does Mr. Hubbard know that,—"the residue of those profits passes into the character of capital, and, as capital, yields in the following year products for taxation"?

The suggestions of prudence more often oblige the owners of industrial and precarious profits to apply the residue of one year to make up the deficiency of another year.

Mr. Hubbard's reasoning seems fallacious for his object, but he is on a right scent to a Property Tax.

Mr. Hubbard then goes into facts, and after perplexing himself, and every one else, with his reasoning thereon, he comes to the following conclusion:—

"Undoubtedly, the elements of the trading and professional profits are not identical; but I am not prepared to indicate either a separate principle of treatment, or to affirm that it would be practicable always to distinguish *professions* from *trades*, or to obtain from traders the amounts of their capital in trade which would be requisite

for the separate assessment of the annual value of their capital, and of the gains created by labor apart from capital."

Hic opus est. Here are the plaguy difficulties of the Income tax. But none of these difficulties would arise in the proposed Property tax.

Mr. Hubbard advocates an Income tax on the fruits of labor as well as of property; and while his scheme is fairer than that under which we are now taxed, it is fairer only as it approaches the grounds of a Property tax, and falls less heavily on labor.

But is it advisable to make it fairer, and to leave it still so unfair?

Mr. Hubbard in conclusion says:—"Occupying the debateable ground at which skilled labor commences, Industrial Incomes, varying from £100 to £150, may in that view be allowed to retain the concession awarded to them by the present Act, of being charged more lightly than Incomes exceeding £150. At what amount the assessment of First Class Incomes should commence, and whether those of small amount should receive any concession, are questions of which the decision of the Committee may be guided by the evidence to be heard, and upon which I therefore forbear an opinion."

This does not seem to agree fully with Mr. Hubbard's remark at the commencement, where he says:—"It is important to keep in view that, substituted in 1842 for taxes levied on articles of general consumption, the Income Tax has thus far assumed the character of a tax of compensation."

Such are the few remarks which it seems necessary to make on the "MEMORANDUM SUBMITTED BY THE CHAIRMAN," Mr. Hubbard, to the "Select Committee on the Property and Income Tax."

He had better have been content with submitting only his "Memorandum."

When he submitted *himself* to the Committee for examination—to the tender mercies of Messrs. Gladstone and Cardwell, and last, but not least, Mr. Lowe,—he was a lost man!

Like the Knight, Sir Gellibrand, in the days of Chivalry, he tilted—in a righteous cause,—against great odds,—and was overthrown.

His weapons were weak, and were soon shivered to pieces against the proof armour of his doughty opponents.

He sat too short in his stirrups, and was soon jerked out of his saddle.

When dismounted, his merciless antagonists rode over him in succession, and trampled him in the mud.

Poor Sir Gellibrand!

He deserved a better fate, and he felt it.

But no skill—no ingenuity, could have saved him.

He felt that too.

He was trodden almost to death.

But he still lives, though to rise up no more.

And yet,—it would not be difficult to overthrow the three successful Knights on *their own* ground.

Sir Gellibrand could never do it on *his* ground.

WILLIAM FARR, ESQ., F.R.S.

Mr. Farr is a great authority, and his opinions are entitled to very respectful attention.

He was examined as a witness before Mr. Hume's "Select Committee of the House of Commons on the Income and Property Tax," in 1852; and before Mr. Hubbard's "Select Committee of the House of Commons on Property and Income Tax," in 1861.

Mr. Farr seems to hold that taxes are due to Government for *Protection* only.

Mr. John Stuart Mill,—at least an equal authority,—says [No. 5423 of Mr. Hume's Committee]:—

"I do not think *protection* the proper test by which to determine the proportional amount of taxation to be paid by different persons.

"It seems to me to have nothing definite in it. It is not possible to say that one person derives more benefit than another from the protection of the Government;—it is necessary for all."

Mr. Mill expressed the same opinion before Mr. Hubbard's Committee, but Mr. Mill, throughout his examination, shifted his ground so frequently that he seemed almost to admit that he had not yet arrived at any principle satisfactory to himself.

He, however, arrived at the conclusion that, in taxing incomes, that portion only of an income should be taxed which the owner could properly afford to spend; though immediately afterwards he explained that, not the portion of an income which a man ought to save, but the portion he did save, should be exempt from taxation.

Again; Mr. Mill, before Mr. Hume's Committee says, in answer, [No. 5427] "For example, the establishment of schools and universities; that cannot be called the protection of person or property; it is not in all cases a thing which I think the Government should do; but in many cases it is. It seems to me a matter of judicious discrimination in each case, what the Government can do for the benefit of the community. Whatever it can do usefully, which will be different in different circumstances, it ought to do."

Many a grant is wisely made from the public revenue, not for the protection of Englishmen, though it may be for their good.

A grant to the Royal Observatory is a commercial good in Nautical Astronomy, but is not a protection from foes abroad or at home.

But Mr. Farr is in favour of a Property Tax,—not an Income Tax, [No. 4895–6.] "The correct principle with

regard to taxation is, that each member of the community should contribute every year to the common yearly expenditure of the country, in a fixed proportion to the amount of property in his possession during that year; by property I understand value, or the power of producing value at the present or infu ture times. The tax should be on property, and not on income."

What Mr. Farr means by property he explains immediately afterwards. [No. 4897.] "A man who has skill and industry alone which enable him to earn an annual rent for his services, possesses property in the strictest and most essential sense of the word; it is a sort of indwelling property, and is the source of nearly all other property; for nearly all the external property of the country derives its value from some of the qualities fixed in it by the skill and industry of the present or of past generations. . . . . There can be no doubt that every person who is in, or has property in, the country, should contribute to the national revenue; and no more just rule can be laid down than that each person should contribute every year in the proportion of the property possessed by him during the year."

If it be true—as it clearly is—that,—"nearly all the external property of the country derives its value from some of the qualities fixed in it by the skill and industry of the present or of past generations;"—it seems a great mistake to diminish,—by taxation,—that creative power before the property is *realised*.

Mr. Farr would tax property—not income. But he would capitalize incomes, and then tax them as property.

This is very like a distinction without a difference.

He would capitalize incomes according to Life Tables, in which the chances of life are taken into the account. [No. 4854-5.]

It seems to be another great mistake to measure the

value of a professional income by the Life tables, with which one would measure the value of an annuity.

To leave out one acting element, in the measuring prospectively the result of that element with others, must make the calculation false.

Now, in the question of the value of a professional business, as capitalized property, there is an important element that does not meet one in that of the value of an annuity :—The *will*—the *whim* of man.

The value of a life has been tabulated from registration of deaths; and the law protects, to a man, an annuity against the will of others. But a surgeon may, through a mistaken treatment of a patient, or other incident, lose any share of his practice, at the *will* of any of his friends; or, he may lose it from the *free will* of a competitor planting himself beside him; and through the *free will* of the friends of that competitor, heretofore his patients; and though Financiers, like Mr. Farr, may say—they have made allowance—in their minds—for those chances, still, the answer is;—those chances have not not yet been tabulated by Statistics; and the element of man's will ought to come into the formula of the value of a business in as trustworthy a form as life itself.

This omission of the element of man's will seems a capital mistake in modern political economy. [No. 4882.] Question by Mr. Hume the Chairman :—"Take the case of a merchant who had a large income in one year, and incurred a loss in another year,—it would not be fair to tax him on his entire income in the first year, but you should tax him on the amount of property that his average income represented?"

Mr. Farr's answer :—"You should bring the property to its actual value, which will vary, but will not exceed 33⅓ years' purchase on the average net return."

Then, Mr. Farr's scheme would not, in its effect, differ much from the present income tax.

The Income Tax is levied on the ratio of the average income.

Mr. Farr would rate a man's property on the ratio of his average income, and tax him in the ratio of his property.

Therefore, the present tax is in proportion to income, and income (*Teste*, Mr. Farr) is in proportion to property; and Mr. Farr's tax is in proportion to property, and, therefore, in proportion to income. (Euclid 11. 5.)

So,—what Mr. Farr says,—as before quoted,—[No. 4896]—"the tax should be on property, and not on income"—is a distinction without a difference to the rate-payer.

And, so,—as before quoted,—[No. 4897]—the body and mind are to be taxed if they work and win money; and the rich idler is to enjoy his manship tax free—[See No. 4899.] Question, by the Chairman, Mr. Hume:—"What interpretation do you put upon the word "ability," in the answer which you gave before?"

Mr. Farr's Answer:—"The ability is most strictly expressed by the amount of property possessed by each individual in the State. It cannot mean talent, or any other quality than the power to produce or to dispose of property; for you cannot pay people by one measure and tax them by another; pay them the market value of their labor, and tax them in the proportion of their wisdom, goodness, science, or activity. If the community pays Milton £20 for 'Paradise Lost,' it must not tax him on the amplitude of his great, priceless, inestimable genius. All in a man's life which can be justly taxed is represented by the value of his income."

This is, indeed, a tax on labor.

Again;—[No. 4913] Question by Mr. Newdegate:—

"You understand the term "ability" to mean the capability to acquire property, and to enjoy it?"

Mr. Farr's Answer;—"Yes;—the capability to produce value."

Here, *capability* to produce value is property. So that a man of skill cannot retire from business, cannot retire from labor, but that he must be taxed on his capability to earn income, though he may not earn any!

Again;—[No. 4914–5.] *Questions by Mr. Newdegate*:—"Then you do not exactly confine your attention to taxing a man according to his property, if I understand you rightly; because it is perfectly clear that, although the property in fee-simple is more valuable owing to there being a reversion attached to it, the reversion is not a source of present enjoyment to the holder?"

Mr. Farr's Answer:—"He might immediately, if he chose, convert it into a source of enjoyment by selling the property for £33,333, and getting double the life annuity which he now enjoys."

Question.—"That would involve the principle of taxing property not as it is, but as something into which it might be converted?"

Answer.—"No. I conceive that it is strictly taxing the property; because a person who has an estate of £1000 a year in perpetuity, is worth £33,333; deprive him of his property and he is deprived of £33,333."

Very good. Keep to that position.

But what is the market price of a man's body, or strength, or skill, which cannot be sold?

See [No. 4897.] before quoted.

Again;—[No. 4928.] *Question by Mr. Hume—the Chairman*.—"Do you think that all incomes in the same manner should be taxed?"

Mr. Farr's Answer:—"Yes; because the sources of

incomes derived from professions are property;—a *prima donna* is as much property as the theatre in which she sings."

No. A theatre may be sold, but a *prima donna* cannot be sold—in England.

This savors of the Slave-market!

These are a few of the Questions and Answers in Mr. Farr's very long examination, before Mr. Hume's Committee.

Mr. Farr's examination before Mr. Hubbard's Committee, also very long, is to the same effect.

It would be a wearisome task to pursue this further. At any rate, this is not a dish to be set before everybody, though some may like it;—as the Scotchman,—enjoying his singed sheep's head,—said to the sneering Englishman:—"There's a deal o' fine confused feedin aboot it let me tell you."

There is, indeed, 'a deal o' fine confused talkin aboot it let me tell you,' in all these examinations, and little but the taste of singed wool left in the mouth after all. But Englishmen are too fond of plain dishes to put up with Mr. Farr's confused cookery.

One example must suffice for Mr. Farr's evidence before Mr. Hubbard's Committee.

Referring to Question and Answer [5023] in Mr. Farr's evidence before Mr. Hume's Committee,—as follows:—"If a man of business did not choose to return the amount of capital you would take his profits at 16⅔ years' purchase, which would make his tax £75, instead of £51, and if he chose to state his age, and the amount invested in the business, a further reduction would be made. You think that would be applicable to all kinds of business?

Answer.—"Yes. I should not take the life into account in large concerns, such as the great breweries, any more than I would with the Bank of England, because I should

regard the businesses with a large good-will as nearly equivalent to houses or perpetuities:"

Mr. Lowe,—on Mr. Hubbard's Committee, put the following Question to Mr. Farr: [No. 2926.]—"Then again referring you to Question 5023, you were asked,—"You think that would be applicable to all kinds of business?—Your reply is—"Yes; etc."—do you adhere to that?"—

Answer.—"That is one way of viewing it;—these are doubtful cases, as I said before. The incomes derived from trades in which a large capital is embarked vary, of course, in their nature excessively; if it be thought right, even under a new modification of the income tax, they might be classified, but on the plan that I proposed I should still think that this would be a reasonable way of treating the subject."

What would be the meaning of the word "*large*" in an Act of Parliament imposing an Income Tax?

At what point of increase does a business become *large?*

It is as indefinite as were the words of the Witness who said that, something was "as big as a knob of chalk."

In making these few remarks on Mr. Farr's Evidence, the Writer is desirous of expressing his high respect for the great learning and labour therein displayed, though this feeling is not unaccompanied with a certain regret that so powerful an advocate in favour of Direct Taxation, should have so qualified his advocacy; as, (in the Writer's opinion), greatly to have reduced its value.

JAMES REDDECLIFF JEFFERY, ESQ.

This Gentleman is thus introduced by Mr. Hume, the Chairman:—[No. 5679.]—"You have been deputed to appear before us by the Committee of the Financial Reform Association at Liverpool, who are anxious

through you, to place their opinions on record as regards the income tax?"

To which Mr. Jeffery answered:—"That is so."

[No. 5700.] *Question by Mr. Hume, the Chairman:*—"Passing from the principle on which the income tax should be assessed, are you aware that there are objections to the mode which has been adopted under the recent law in the process of levy, and the manner in which the tax is collected?"

Mr. Jeffery's Answer:—"Yes, I am; and I attribute it in a considerable measure to those objections in the process of levy, that the income tax is complained of by persons engaged in commerce and trade. I believe it is universally admitted that an income tax is the justest of all taxes, because if levied on just principles, the load is proportioned to the power to bear, and because it recognises the sound principle that industry should be entirely unfettered in its creative operations, that the two great purposes of a sound fiscal policy being thereby fully recognised and acted on, the wealth of individuals, and of consequence the national wealth, being thereby increased in a much larger ratio annually than it now is, from the freedom of action given by absence of restriction; and the power to contribute being therefore correspondingly increased, as well by given individuals, as by the masses of the nation."

All this seems to mean that, Mr. Jeffery is very favorable to an Income Tax. He stipulates only that, it must be a just Income Tax, which, he thinks, the present is not.

Now, let us see how he would make a *just* Income Tax.

[No. 5690–1–2.] *Questions by Mr. Hume, the Chairman:*—"In your reply to the first question you referred to the cases of deferred annuities, reversions, and vacant lands; upon what principle would you have them to

contribute to the State, seeing that they are not immemediately productive to their possessors?"

Mr. Jeffery's Answer:—"Such estates are as much the objects of legislative protection as those that are immediately productive; and with respect to reversions and vacant lands, they partake also, in the meantime, of the increase which the activity of the producing masses create. Each would be made to contribute in proportion to its present value."

Question.—"But as these estates do not at present yield income to the possessors, and as, therefore, it is supposed they have no income out of which to pay the current tax, by what means could the demand for such tax be enforced?"

Answer.—"The Government should have authority from the Legislature to look to each estate as it may stand in individual hands, and to charge tax on such estate according to its market value. A deferred Annuity has its value, and so has a reversion; and vacant lands stand in precisely the same position, and the one and the other receive the protection of the State to the extent of such value."

Question.—"But supposing the possessors have no immediate income from those estates, how is the claim for the tax, if you levy it in that proportion which you have stated, to be made available?"

Answer.—"It may be readily supposed that the possessors of such estates would prefer paying the tax, from whatever source they might derive it, to allowing the Government to sell the estates to realise the same, a power which the Legislature would naturally give them to enable the tax to be collected.

. . . Or, it may be in the wisdom of the Legislature to allow a mortgage to exist; the amount being comparatively small, the Legislature may choose that the mortgage may continue to exist, and it may be reco-

vered then under a mortgage deed. It occurs to me that, should the direct system be introduced, any little difficulty of that sort would be obviated by private capitalists coming to render assistance to those who might not have sufficient income to pay the demands of the Government upon it, but the Government demands certainly should be satisfied."

Mr. Jeffery would have an Income Tax,—but a *just* one,—and he would have it of a reversioner, with no income coming in!

Mr. Jeffery thinks this just!

The "*little difficulty*" of getting something out of nothing,—"*any little difficulty of that sort would be obviated by private capitalists coming to render assistance*," —such assistance as vultures render to lambs;—or, Government "*might sell the reversion, to realise the tax;*" or, "*the Legislature in its wisdom might allow a mortgage to exist*" for the tax.

Who knows what the Legislature might not do? But who,—but Mr. Jeffery,—ever supposed that the Legislature would ever do *that?*

Certainly,—"Government demands should be satisfied;" but the Government must first establish its right to make such a demand, and that "*little difficulty*," added to the other "*little difficulty*," would, certainly, make such a very great difficulty that, it will, probably, never arise.

The next Question [No. 5693] of the sagacious Chairman, Mr. Hume, would have been a *puzzler* to most persons:—"Have you taken into consideration the possible contingency of the reversioners or deferred annuitants not surviving to realise their prospects or enjoy their reversions?"

Mark the tender tone of this question, and the hard-hearted answer.

"I have; but so long as they are in existence certain

interests vest in them, and therefore certain liabilities should be made to attach; if the reversioner do not survive, his heirs will, and they will derive the benefits of the estate which has been protected; and if the deferred annuitant do not survive, his interest having been protected during his existence, no injustice has been done him, as he has only paid for protection received."

No—he hasn't. He received nothing, and he paid nothing.

His heir pays for him.

And what for?

Mr. Jeffery would tax his man, because, if he lived, he might have wherewithal to pay it! Some may think this hard-hearted.

But no one who has the pleasure of knowing Mr. Jeffery need be told that, he is not hard-hearted, or that he is one of the most zealous and active members of Council of the Liverpool Financial Reform Association.

It seems that Mr. Jeffrey's answer to this last question was not quite satisfactory to the Committee, seeing the following question shortly afterwards put to him by *Mr. Sotheron*:—

[No. 5696.] "How would you make sure of your money from the reversioner during the lifetime of the tenant for life?"

Mr. Jeffery's Answer:—"The Legislature would give power either to allow it to remain on Mortgage, taking the estate as its security, or, I have no doubt, as I stated before, that private enterprise would step in. For example, the Government does not attempt to insure property against fire; but private enterprise steps in and does it now; private enterprise will also step in and lend money upon good security. Though the day may be very distant when it may be received back again, still I have no doubt it would be so if the great principle of direct taxation were to be established

in perpetuity, and this were to be made a permanent tax."

Thus,—if Mr. Jeffery could have his way,—a needy reversioner should pay the cost of the mortgage and be taxed with two exactions, because he would be too needy to pay one of them.

Again:—*Question, by Mr. Hume, the Chairman.* [No. 5745.]—"Have you not stated that waste land, and other matters producing no income, should nevertheless be taxed?"

Mr. Jeffery's Answer:—"That is only, no immediate income; it is producing income by the accumulation of the inhabitants, and the industry of those around it; it is increasing, otherwise the party would not allow it to lie. Every owner of vacant land assumes that it is paying him fully the interest that the money would do?"

[No. 5746.] "How would you ascertain the value of it, there being no income?"

Answer.—"The value of any estate, or any property, is ascertainable; it will fetch its price in the market whatever it may be."

[No. 5747—*Mr. Sotheron.*]—"Would not the same argument apply to a mine which has not been explored, or to a mine which has not yet been fully brought into work, or to any other source of wealth which requires only to be dealt with by man's industry, in order to turn it to account?"

Answer.—"It is quite clear that if the mineral wealth be known to exist beneath the surface, the estate on the surface is worth more money than if it did not exist there."

[No. 5748.]—"Therefore, my question is, at what rate would you tax the owner of an estate in which there is mineral below the surface, which has not yet been explored, and from which therefore he has no benefit?"

Answer.—"I heard it stated here yesterday, that £100 a year royalty being paid for the raising of minerals was considered as income, which the Witness then under examination said it ought not to be; that it ought to be considered as part of the purchase money, because it was exhausting the estate. Now, I conceive such a revenue to be similar to a long annuity, returning to its receiver both income and capital at the same time."

[No. 5749.]—"In what way would you propose to deal with such a case as is assumed in the former question; would you tax a man for a mine which has not yet been explored under the surface, or would you tax him for the soil on the surface which produces a profit to him?"

Answer.—"I would tax him for that which produces a profit."

[No. 5750.]—"How, then, do you distinguish between the case of that mine not yet explored, and the case which I understood you to propose to tax, namely, building ground, or vacant land?"

Answer.—"There may be a disputed question as to the enhanced value of that building land, but when it changes hands there can be no dispute about it. Supposing, for example, the owner of land, unbuilt upon, gives £5000 for that land, and at the expiry of a period of five years he sells it for £5500,—I would tax him then upon the £100 a year, for five years which it had accumulated in value; I would consider that to be the annual income drawn from it."

Mr. Jeffery is not true to himself here. The waste land yields no income, and yet its owner is to be taxed on the income that it *might* yield as building ground. The minerals yield nothing, and their owner is not to be taxed for more than the profit of the land. Why not?

There is something horrid in this scheme of compel-

ling a man either to sell what he would keep, or to be severely taxed for the keeping of it.

What,—if a man have a charming lawn, with good brick-clay under it?

He must turn it into a brick-yard, or be taxed for one!

Would this be English freedom?

Oh! you heartless Political Economists. The soul and heart, with their most divine sentiments, are ignored by you. You have an earthly God;—money:—and an earthly heaven;—material civilization, without love or mercy.

It is to be regretted that Mr. Jeffery,—whose services, as an Advocate of DIRECT Taxation, are so highly, and so justly, appreciated by all who know him,—should have entertained and expressed such opinions as these.

Who is likely to be made a convert to DIRECT Taxation by the perusal of Mr. Jeffery's evidence before Mr. Hume's Committee?

It would be bad advocacy in the Writer to pursue the inquiry further into Mr. Jeffery's evidence; nor would the inquiry have been carried thus far, but for the Writer's fears that he might be supposed to participate in all Mr. Jeffery's opinions.

The exposure of so much difference of opinion between the Financial Reformers themselves, is to be regretted.

Not only they cannot agree among themselves what is the best form of Taxation; but even those who do agree that all Taxation should be DIRECT, cannot agree among themselves in recommending any Scheme of Taxation, even if they should find one which they all do approve of.

They would all have something different from what they have, but what they would have, none of them exactly know;—and none are agreed as to what they

should have, though all are agreed as to what they should not have.

Then, again:—They all agree in asking all people to support them in forcing the Government to make a change, though they are not agreed in what that change should be, and if they were agreed in that, they would not agree to say that they were agreed in that.

They agree only to complain of what they have got, as bad;—and will not agree to recommend what they wish to get, as better.

They set themselves up as leaders of the Financial Reformers, but are not agreed on any principle; and, if they were, are not agreed to declare it.

This is very like men in a boat, drifting about in the open sea, without a compass.

Is it wonderful that they have been drifting about so long, and are not yet within sight of land?

As one of our great living Writers has said, in his 'History of the French Revolution,'—"In moments of great peril, use and wont will no longer direct any man; each man, with what originality he has, must begin thinking; or, following those that think."

We have now fairly stated and answered such objections to our views as we deem worthy of notice.

These comprise the leading principles in difference. The shades of difference are innumerable, and to follow these would be as unprofitable as wearisome.

The Writer's object has been to anticipate and answer all the objections to his Scheme of Taxation which he has thought calculated to mislead his readers.

He must, no doubt, have left many unanswered, which deserved answering. But on this subject it is not easy to secure the attention of general readers.

Theoretical views on such a subject as this are not inviting, especially when the prospect of realising them in practice appears to be remote.

Important as the subject undoubtedly is, the public interest in it can be expected to be only in proportion to the public intelligence about it.

Now, the public intelligence on this subject is at an exceedingly low degree, and will probably continue to be so, as long as it continues to be a subject of bewildering controversy, with no fixed and admitted principles to bring it to a practical and satisfactory conclusion.

It seems hopeless to expect the Public in general, who are engaged in more practical and pressing duties, to take any active part in this controversy, or to express any decided opinion, when they are conscious of their own incompetency to form any.

All they know is, that they are very badly off, and that they should like any change for the better.

But when they see so much difference of opinion among those whom they must suppose to be much better qualified than themselves for forming a correct opinion, it is natural enough that they should look on rather as indifferent spectators, than as interested intermeddlers.

It seems, therefore, to be of the first importance for enlisting the Public for their support, that they should clearly understand what they are called upon to support, by showing them what their actual position is under the existing system, and what it would be under the proposed new system.

This has been the endeavor of the Author of 'The People's Blue Book,' though he can truly say:—

> "My endeavors
> Have ever come too short of my desire."

GENERAL REMARKS IN ANSWER TO OBJECTIONS.

The history of Taxation is a remarkable one; but remarkable only for the absence of all system, and of everything deserving the name of principle.

From time immemorial there has been a war of opinions on the question:—'What are the subjects most proper for taxation?'

Into that history no inquiry will here be made.

As Milton said of the wars of the Anglo-Saxons:—"Such bickerings to recount what more worth is it than to chronicle the wars of kites and crows flocking and fighting in the air?"

It is sufficient to say that, the question seems now to be,—'How far should *direct* take place of *indirect* taxation?' And,—'On what ought men fairly to be taxed?'—'Whether on the income of their property; or, on the income of their labor, or on both?'—'Whether on their property yielding income, or not yielding income,—or on both; or on their property and persons, as under the protection of the State?' Thinkers on Taxation are not of one mind, not only as to what is taxable property, but even as to what is property itself.

One definition of property is,—*omne quod proprium est*,—everything that is a man's own. Therefore, his life, his limbs, and his name.

But this can hardly be a good definition of *taxable* property,—which would rather seem to be,—*quod acquisitum est*,—the labor-won goods of the world; and as it seems that *taxable* property is that whic his *labor-won*—won by the labor of man, albeit not of the owner—so it may be a hindrance from a clear understanding of the taxation of property to take it asunder from labor.

Now, it does seem important,—no less for policy than justice,—that it should be established,—as a principle,—that an ownership yielding income from the labor of the owner alone,—*is not taxable* property. And that property yielding income from others' labor,—or, property from which income accrues spontaneously, and requires no exercise of labor on the part of the owner,—or,

realised property,—*is taxable.* And that property yielding income from other's labor, with the owner's own, being realised property, *is also taxable.*

Property of this last description, such as farm stock,—stock in trade,—and such like,—is that on which the minds of financial reformers are most unsettled, some holding it as *taxable* property, and others as not.

But although the elements of the two sundry labors may not have been formally stated in their reasonings, yet it is found to have come into the deliberation of some of them, and some would deduct, on income from such a source, the wages of the master; whilst others have admitted the elements of property and labor into the rating of incomes, as such, as they would make a distinction between the profession of a barrister, and a profession in which capital is involved.

As men are not of one mind as to property, so neither are they as to whether the tax should be laid on property, or, on the income it yields; or, on both *caput* and *fructus*, or, on property yielding no income, with that which affords it.

An argument for ranging the income of property yielding income from the labor of others with the owner's, as that of true property, rather than of labor, is, that all allow property yielding income from others' labor to be a true property, though many hold that goods yielding income only from the owner's labor, is none. Thence, the element of others' labor is stronger for taxation than the owner's own labor, and, therefore, in a case with both of the elements, the stronger takes it off to the side of property, and, property, yielding income from the labor of the owner and others, is true property.

Mr. Hubbard's scheme makes two classes of income;—one class of incomes from the labor of others,—and another of incomes yielded by the labor of the owner, either with or without that of others;—and he would

tax the latter at two-thirds of the ratio upon which the former is rated.

But, instead of grounding a lower taxation on income from the trade of a private firm, than from shares in a railway company, on the elements of the two labors,—the true grounds—Mr. Hubbard's scheme would base it on the registration of the company.

One financier would not take the life into account in *large* concerns,—such as the great breweries,—because he would regard the business with a *large* good-will, as nearly equivalent to houses or perpetuities.

The word, *large,* would be too loose to mark a business for taxation in an Act of Parliament, unless it should define the largeness of large in its own sense, though many may think, the property of a brewing firm belongs to that description of property which yields income from the labor of the owner with others.

The difference between the two cases of will-holden and alienable property, and life-holden and unalienable property, has been allowed by some, and one financier would tax the income of the latter, at half the ratio of the former; and another thinks that the chief defect of the present tax is, that it does not make any distinction between permanent and temporary incomes, and that the latter should be taxed upon a lower scale than the former.

The fairness of a higher taxation on permanent property, than on life-long ownership, seems to be allowed by most financiers, as is shown by the Blue Books, in the manifold questions and answers on timed and untimed annuities, with the scheme of the capitalization of such incomes.

One plan of taxation is to tax property of the first kind,—that yielding income from others' labor,—at a fixed rate of the income it yields:—And by another plan, the tax would be set by some ratio,—such as three far-

things, or a penny in the pound,—on the sum of the property, and its yearly profit.

This form of tax, however, would be fair or tolerable only with property yielding a good income. For, let a man have a property of £10,000, and, from bad luck, let it yield him some year only £40, then, at a penny in the pound, his tax on £10,040 would be nearly £42,—that is, more than his whole year's income.

Others hold that the practice or good-will of a profession is property, and that its worth, as property, is what it would fetch in the market. But one financier thinks a surgeon's practice worth from three to five years' purchase, and says, elsewhere, that, he would tax it on seven years' purchase, taking three and a half years' purchase for the property of his professional learning and skill, though—

> "The real worth of any thing,
> Is just as much as it will bring."

and if the successive labor-won yearly incomes of a surgeon will sell for only three and a half of them, why should the owner be deemed worth a property of seven of them?

Even the three-to-five years' purchase, of a medical practice, seems, however, a very uncertain value of it, as Mr. Hubbard had been told that, it would sell for only one year's purchase, and we have heard that it usually changes hands at twice its yearly income.

It has been proposed again,—in the taxing of incomes from labor,—to take those of clerks, in commercial or Government offices, at three and half years' purchase, and also to tax sources of income by the measure of their price in the market; but if the practice of a surgeon, standing as it stands, upon the good-will of scores, if not hundreds, of patients, can be bought for two years' purchase, or even one year's income, how can one rate at three and a half years' purchase an employment which is holden at the will, and even at the caprice of one man,

and which, as the employer would not be likely to sell it, has no market worth?

Some have proposed taxing Artists, making large incomes from their labors; as if their income were that of absolute property!

Now, what is it that is protected for the Artist?

Is it the source of his income,—his skill,—won by long and pinching years of study?

Or,—is it the fruit of that source,—the income itself?

Or,—is it the free enjoyment of that income?

The Government cannot insure the source of his income, otherwise than by the common protection of his living man-ship; for that would be to insure him against a stroke of hand-paralysis, or madness; and one financier says, he would not tax the intellectual power of a barrister, but the profits of the barrister.

The Government could not insure the Artist income, for that would be to insure the sale of his pictures; and, therefore, it could insure only the free enjoyment of his income.

But, according to the opinion of those who hold that, protection should be the measure of taxation; a man to whom the State insures his income,—and something more than his income,—such as property,—the source of income,—should pay higher tax than he whose income, as wages only, is protected, and, therefore, it seems to follow, from their own view, that, wealth incomes should be taxed higher than work incomes.

One writer reckons 10 per cent. as a fair average assumption of the profits in trade; though Railway Companies, while carrying on a fair and steady trade, do not seem to clear such a gain; and yet, again, some co-operative societies pay a *bonus* of as much as 20 per cent.

Hence, we can understand how hard it is to find a fair ratio for commercial profit.

The unfairness of taxing alike the earnings of labor,

and the income of property, will always be shown by their stubborn unlikeness.

If a hardly taxed but idle man, with an income of £100 a year from property, were to say, with truth to the tax-master, your heavy tax does not leave me enough of my income to feed, clothe, and house, my wife and children,—he might answer:—"Very well. Give some of your spare time to some kind of work, and so increase your income."

But, if a poor toiler for bread, who might spend all his days and strength in the winning of £100 a year, were to utter to the tax-master the same complaint, he could not give him the same answer. His taxed £100 take up all the work hours of his work days, and the tax-master could only say to him:—"What is that to me?—Starve": —for, he would not say:—"Cheat or steal;—or kill your wife or children off your hands."

A Witness was asked, whether the savings of the poor man were not just as good as those of the rich, so far as they go in adding to the capital of the country;—which seemed to imply that men increased the capital of the country in the ratio of their savings. Whereas, men increase the capital by their *earnings*, rather than by their *savings*.

In some cases, the savings of a working man may be an addition to the capital of the country, while those of a rich man may not.

But what is capital?

At one place it seems to be understood that capital is nothing more, or little more, than money.

But if money only be capital, it is increased by no hands but those who work at the Mint; for the money of the country is not increased in the paying, or taking, or keeping of it; and, therefore, it is idle to talk of the increase of it by poor, or rich.

Capital, as before shown, is composed of materials,

provisions, and instruments,—representing Utility and Value.

Capital, therefore, consists of commodities or products.

It assumes the name of Capital only by reason of its ulterior destination.

It is a great mistake to suppose that capital, as such, is a thing having an independent existence.

A sack of corn is still a sack of corn, although one man sells it for revenue, and another buys it for capital. Exchange takes place on the invariable principle of value for value, service for service; and the portion of gratuitous utility which enters into the commodity is so much into the bargain. At the same time, the portion which is gratuitous has no value, and value is the only thing regarded in bargains. In this respect transactions which have reference to capital are in no respect different from others.

Whoever has rendered a *service*, and has not yet received the corresponding *satisfaction*, is the bearer of a warrant, either possessed of value, as money, or fiduciary, like bank-notes, which warrant gives him the power of receiving back from society, when he will, where he will, and in what form he will, an equivalent *service*.

Every *service* then is, or may become, a capital.

Thus, capital is an instrument of labor, and it follows that, the progress of mankind coincides with the increase of capital.

This being so, the paramount interest of all (in an economical point of view, and this is Bastiat's view) is to favor the rapid creation of capital; and capital (if we may say so) increases of its own accord under the triple influence of activity, frugality, and security.

The *vires acquirit eundo* may be applied with rigorous exactitude to capital, and its beneficent influence. Capital, when formed, necessarily leaves disposable both

labor and the remuneration of that labor. It carries in itself, then, a power of progression.

"This progression," as Bastiat observes, "economical science has omitted hitherto to oppose to the other progression which Malthus has remarked."

With this explanation, we may take capital to be, labor-won goods, or goods brought to hand in any form by the labor of man, and that the capital of the country is not increased by the still or idle hands, though they may keep what may come into them; and that it may be increased by working hands, though they may spend what they win.

But the good or happiness of the country may or may not be increased by men who do not increase its capital.

Let a hundred people settle with £100 among them, in a small island, and let one of them save, in ten years, £10. How have they added to their capital while it has not increased?

After ten years, let this man expend his savings of £10 in getting help to build a boat and make a fishing net. Then the £10, and moreover the boat and the fishing-net, will be among the community, and the man will have indirectly increased the capital of the island by the spending, not the keeping, of the £10, and the men who helped to make the boat and the net, will have increased the capital in the earning, not in the keeping of their earnings.

Thence we can see that still or idle hands do not increase capital in the keeping of money, though they may increase it indirectly by spending of money in useful labor, as working hands may increase it in the earning of money.

But how is it with the working man, who, out of the fruits of his labor, saves a livelihood for his workless old age? Does he, or does he not, increase the capital of the country?

At his death he may, or may not, have done so.

It seems an ordinance of the Allwise that man should have strength to win more life-gear, or capital, than his life needfully consumes; for, otherwise, he could not bring up his little children, nor keep his kindred in sickness. So, let a man, out of fifty years of labor, save life-gear for ten more years of life. If he were then to die he would have increased the capital of the country by that ten years' share of capital, but if he were then to be paralyzed for the next ten years, and to die, as he might have consumed his last bit of life-gear, it is not clearly to be seen how his whole life could have increased the capital of the country.

When capital passes through still hands, it loses a tare or tret equal to the share of it which is wholly consumed in those hands out of all form of capital; as in food, or the wear of clothes, etc.

But here, let it be borne in mind that, men who consume capital, and make none, may be affording to the world some form of good which may be worth their share.

The boy who was hired by Philip of Macedon to keep him in mind of his mortality, consumed capital with still hands; but, yet, if he made Philip a better king to his subjects, they might well afford a loss of capital for a gain of happiness.

Some would tax property even yielding no income, on the ground that it would yield a price, and, therefore, income, by sale; and they think that the owner should be taxed not on the income it may yield him, but on the income he may, if he would, win by it.

A tax carried out on such grounds, without qualification may become, as already shown, dreadfully tyrannical, making the most prudent and the most christianly course of action, a subject of ruinous exaction.

A Songstress has married, and wishes to give her

mind and time to her husband, her children, and her home, and the tax-master may say to her:—"Madam, you have a voice and skill which has brought you, and would now yield you, a thousand a year. On that income I shall tax you."

Mademoiselle Jenny Lind, or Madame Grisi, would complain of this as oppressive and unjust.

A girl may have a fine head of hair, which would sell for false curls, and, therefore, the Assessor may tax her for it.

Or, if a man of small income should form, in his spare hours, a collection of fossils, or insects, or plants, he might be so taxed on the price they would fetch in the market, that he could not afford to keep them.

The gift of some most precious work of Art would become the gift of a dreadful plague; and even the Universities (unless exempted) could hardly afford to keep their rare collections of books and precious manuscripts.

If a good landowner were to give, rent free, a piece of ground for the *campus martius* of a village, or town, a builder might declare that it would sell for a higher price, as building ground; whereupon the owner would be taxed on its deemed market value, unless he might sell it to the builder.

If property should be taxed as it might yield, rather than as it does yield, income; the game of an estate, even where none of it might go to the poulterer, must be taxed on its estimated value.

If a picture, coming free of tax out of the hands of the painter, were worth £1000, then, since the worth of a piece of property on becoming burthened with a perpetual charge would become lessened by the value of the charge, so the price of the picture would become lessened by the value of the perpetual tax, of which the painter would virtually pay the whole.

It has been proposed to tax reversions, even to needy men, who might be starving on their phantom of chance; and as it is clear that some reversioners might not have wherewithal to pay the tax, it has been suggested that their tax might remain on Mortgage of their reversion; whence it would happen, if they should pay the cost of the Mortgage, that they would be taxed, as needy men, far beyond a rich reversioner, who might pay the tax in ready money.

Such a tax has been marked as an income tax, albeit it would be raised on nothing coming in; or on something which never could come in to the reversioner, if he die before it comes in; and if before it comes in the income tax should cease, he will have paid for protection which he has not enjoyed. He would, in reality, be paying a tax in consideration of an income received after the tax had expired.

The law of Christian contribution seems to be that, a man should give as God hath prospered him—according as to that he hath, and not to that which he hath not;—and though we can hardly hope that a worldly law should be the Divine one of love, yet that law seems a good pattern for men's payments to the wants of a Christian State.

If men who pay tax both on income from property, and from their labor, were polled for their opinion of the fairness of taxing both alike, it is most probable that, although they might be found to have paid the true property tax freely, they will have paid the tax on their earnings begrudgingly.

Some hold, again, that the body itself, a man's very manship, with its powers, whatever they may be, is property.

One Witness says:—A man who has skill and industry alone, which enable him to earn an annual rent for his services, possesses property in the strictest and most

essential sense of the word, a sort of in-dwelling property. A *prima donna* is as much property as the theatre in which she sings.

This would imply that she is property in the same respects, as the theatre. But, as we have before shown, she is not, since the theatre may be sold, and the woman cannot. And if it be answered that it is the singer's voice, or skill, that is as much property as the theatre, —the statement can be refuted by the same form of answer.

Now, if one's manship should be taxed, as property, only on the income it yields, the taxation of it would be a great hardship, as it would be a tax on labor and goodness, since the needy man would be taxed in and for his working and useful life, while his unworking and richer neighbor would be tax free; though it is true the working man might have the pride of being rated as of worth, while the person of his idle neighbor would not be worth a farthing; and, then,—why should the law protect it?

If the earnings of a needy person are to be the measure of his worth, as property, then the person that earns nothing must have only zero for the measure of his worth; unless we hold,—as some do hold,—that unproductive property should be taxed,—in which case, holding the body to be property, we should have a Poll Tax.

Then the question of a poll tax would rouse in dispute those who hold, on one side, that the person is to be taxed as under the protection of the State; and, on the other hand, as a property, that a man should be taxed as being his own deed master, or not taxed as under the wardenship of others.

The subject of wardenship is perplexing, from the anomalies of our law, as to the age at which a boy becomes his own deed-master. Among the Welsh Britons, a

boy was formerly received into his tribe, as his own deed-master, at the age of fourteen, and with the Saxon English, a boy was under his father's *mund*, or wardenship,—who answered for his deeds, till the age of twelve.

But with us, a child seems to be taken as his own deed-master, in crime, at a fewer years old,—though the law does not tell us how many,—as we see by children punished for crimes:—whereas, if a tall young man buy needless wares on trust,—his father is told that his son is under 21, and is not his own deed-master, or money-master, and that he, the father, must answer for his son's deeds.

And yet, again, a young girl may go into service, and take and spend her money as if she were her own mistress.

The Poll Tax, withstood by Wat Tyler, was sought of all persons under fifteen years. This would impose the tax on the father, for all his children, as long as they were under his *mund*, while the length of the father's wardenship is so ill defined.

If those on whom falls the duty of imposing taxes were to imagine themselves in the position of those on whom falls the duty of paying any particular tax, it is inconceivable that many of our taxes should ever have been imposed, and especially those taxes which are taken indirectly from the wages of the laborer's own hard labor.

It is one question, what description of property should be taxed, and whether the tax should be imposed on the property, or on the income. But it is quite another question, whether labor, which is the source of all property, should be regarded and treated as property.

If this latter question were quite out of the question, as it ought to be, the former question would be very much simplified.

If it be admitted, as an axiom, as it ought to be, that

the laborer's own labor must not be taxed, the great difficulty in the question of Taxation is at once removed.

It would then seem to follow, as a consequence, that the profits of trade must not be taxed, until realised.

The description of property to be taxed would then be a much less important question, and would be a question within much narrower limits, than at present.

If manufactures, trades, agriculture, and professions were thus withdrawn from the question, it would be of comparatively insignificant importance, what description of property should be taxed, or whether any and what distinction should be made between terminable and interminable interests. All the ingenious reasoning and devices for equalizing these alleged inequalities might then be very safely left for the amusement of the actuaries and others curious in such speculations. To the public at large they must be without any interest, because they must be without any practically useful result.

Such inequalities must ever remain in individual cases, whatever the ingenuity brought to bear, inasmuch as no general tax can be equalized in its effect on all individuals.

As that eminent authority, Mr. Babbage, said,—in his Examination before Mr. Hume's Committee on Income and Property Tax,—"It is indispensable to deal with classes, and not with individuals."

This Witness, by closely adhering to the principle which he had laid down with great clearness, avoided the snares which were laid for him by his Examiners.

They could nowhere catch him.

His powerful and penetrating mind saw the necessity of confining his evidence to classes, and not allowing himself to be drawn into individual cases, in the application of a general rule for the good of the community.

Of all the Witnesses, this eminent Witness was the

most conclusive, in answering the charges of inequality and injustice, in regard to terminable, and interminable annuities, and in exposing the injustice and absurdity of fixing an income tax on a reversioner.

He well said that;—if the tax be permanent, it will eventually tax the reversioner as well as the present possessor; and if the tax be only for the year, as it is, the protection is alike to all paying the tax.

It would have given infinite satisfaction to the Writer if all his views on this important question had been supported by the high authority of this distinguished Witness. But the Writer addresses these pages to him in particular, and though with much diffidence, yet with great confidence; and to all readers of these pages, he would particularly recommend the careful perusal of the whole of Mr. Babbage's Evidence before Mr. Hume's Committee.

To follow this evidence throughout, would lead beyond the proposed limits of this small volume.

But there is one question, and answer, of such great importance that it must be here given.

Mr. Babbage was asked by Mr. Hume, the Chairman, [No. 5655.]—"Do you think it fair not to tax the rich man more than the poor man?"—*Answer.*—"I do not think you should do so."

It will be a woful day for this country, if it should ever give any other answer to this question.

This answer the country has now given to Mr. Hubbard, and this ought to be final and conclusive.

Even under the present imperfect and unsatisfactory law,—and every tax on income must be imperfect and unsatisfactory,—all parties receive protection during one year for the property which they have.

The produce, which is protected, is taxed equally in all cases.

To distribute the burden of an Income Tax equally on

all, in proportion to their means, is, manifestly, an impossibility.

Income can be derived only from present or past efforts or services; or, from a combination of present and past.

The efforts or services are infinite, and, therefore, indefinable. They may be of a nature physical or mental, subject to an infinite number of conditions, all more or less uncertain.

Therefore, an Income Tax is bad in principle, because unequal and unjust in its assessment, and incapable of being made equal and just.

Take the case of terminable and interminable Annuities which Mr. Farr, Mr. Hubbard, Mr Jeffery, and many others, so much rely on.

In considering this question,—which is one of principle,—it is quite immaterial whether the Income Tax be assumed to be permanent;—or, as it is, from year to year.

If it be for one year only, and if it be assumed that the tax is paid for the protection received, whatever other objection may exist, the question of inequality cannot arise.

If permanent,—in this point of view, the Tax is co-extensive with incomes of every duration and tenure. It is an equal burden upon all, that is to say:—5 per cent. for ever is as great a deduction from a perpetual inheritable income, as 5 per cent. for twenty years is upon an income limited by that period; and if we were to take the capitalized value of each income, and of the tax upon each, we should find that the latter bore in each case the same proportion to the former.

Thus,—let the income in each case be £100 a year, and the tax £5,—the perpetual income at thirty years' purchase is worth, £3,000,—the perpetual tax, at the same rate, £150;—the income of twenty years, at fifteen years' purchase, would be worth £1,500,—the tax, at the same rate would be £75:—each, therefore, is taxed at the same rate.

But there is a fallacy in this reasoning, which shows the greater propriety of fixing the tax on the property, or the value of the property, and not on the income, or the value of the income.

This fallacy is well exposed by Mr. Neate, but he falls into a still greater fallacy in his principle,—that the capitalized value of each income is the true basis of assessment.

The fallacy lies in comparing together, by the same measure, two incommensurable quantities; that is to say, —that it compares the consumable revenue of capital with that which is in part a creation of fresh capital.

If, in order to ascertain the taxable quantity, we must resort to the capitalized income, the proportion of tax to it should be the same.

But, if we compare the capitalized value of each income with the tax paid upon it, we find that one man is paying one-third per cent.—the other one-sixth per cent. —upon his property.

This fact,—which any one may see for himself who chooses,—is fatal to the view of Mr. Farr, Mr. Hubbard, Mr. Jeffery, and all such reasoners.

The inequality and injustice of the Income Tax are still more apparent if we compare incomes from capital, with incomes from labor. But it is unnecessary to go over that ground again.

To deprive a man of the requisites of healthful existence, or even of every common comfort, is to entail on him privations incommensurable with any deduction from the means of wealthier persons, which leaves them still comforts, and, perhaps, luxuries in abundance.

But to force a man to labor for his means of subsistence, and then to force him to give up part of his means, so acquired,—and such a part as often leaves him with insufficient means for the subsistence of himself and family,—and to take this in the form of an Income Tax,

under the false pretence of protecting him in the enjoyment of his property, is nothing less than a mockery and a snare,—a monstrous and wicked fraud on the poor and the ignorant, who do not know how they are cheated, —or, if they do know it, do not know how to help themselves:—it is an outrage against common sense, being a violation of justice, of honesty, and sound policy;—for, great as are the evils thereby inflicted on the working classes *directly*, the evils therefrom to all the other classes are still greater *indirectly*.

An equal or just Income Tax, as before said, is an impossibility,—a visionary chimera,—but those who will indulge in this vision must admit it to be a *condition* of a just Income Tax, that it should be *bonâ fide* a tax on *income*, that is to say, that it should be assessed on incomes in proportion to their *real*, not their *nominal*, amount.

If the land were divided among all the inhabitants of a country, so that each of them possessed precisely the quantity necessary for his support, and nothing more, an equal income tax might be imposed.

But how long would it remain equal? It is evident that all of them being equal, no one would work for another. Neither would any of them possess wherewith to pay another for his labor, for each person having only such a quantity of land as was necessary to produce a subsistence, would consume all he should gather, and would not have anything to give in exchange for the labor of others.

Unless all of them were of the same mind, and of the same capacity and power, equality would very soon cease among them, and then it would cease to be an equal income tax. And the course of nature alone, if nothing else, must very soon produce this state of things.

But if the tax were imposed on the land, instead of the income, the tax must always be equal, however un-

equal may become the division of the land. The mistake consists in looking for *fixity* in that which must always be changeable.

But the case supposed never can have existed, because the land has been cultivated before it has been divided; the cultivation itself having been the only motive for a division, and for that law which secures to every one his property.

If the state supposed could have existed, it could not possibly be durable; each one gathering from his own land only a subsistence, and not having wherewith to pay others for their labor, would not be enabled to supply his other wants of lodging, clothing, etc., except by the labor of his hands, which would be nearly impossible, as every soil does not produce every material.

The productions which the earth supplies to satisfy the different wants of man, will not, for the most part, administer to these wants, in the state nature affords them; it is necessary they should undergo different operations, and be prepared by human labor, and art; thus showing the necessity, not only of the division of labor, but also of the exchange of commodities for labor.

This shows, in endless ways, the varying nature of income, and how impossible it is to impose a tax, with anything like equality or fairness, on net revenue, *as income*.

Such a tax must always be unequal and unfair, because it must always encroach more or less on what is, or might become, capital.

Income and capital, for the purpose of taxation, must always be vague and indefinite terms, dependent in a great measure on the will and pleasure of the owner, though, as contradistinguished from each other, for other purposes, they may be sufficiently defined.

Adam Smith has said:—"The net revenue [meaning income] of the inhabitants of a country is *what, withou*

encroaching on their capital, they can place in the stock reserved for immediate consumption, or spend upon their subsistence, convenience and amusements. Their real wealth is in proportion not to their gross, but to their net revenue" [income].

Now, apply this to the laborer's daily income, varying between eighteen pence and five shillings a day. Call it income or call it property,—it is still the day's wages for the day's labor. Is this the net revenue which can be taxed consistently with the condition of a just Income Tax, before mentioned?

But a laborer's daily income is not equivalent to a day's wages, since he must earn in six days his income, or "daily bread," for seven at the least. The tax, therefore, to an ordinary laborer ought not to be on seven days of his week's earnings. It ought not to be on six days. All laborers are liable to sickness, accidents, loss of work. They must make up, while employed, their livelihood for the days on which they earn nothing. But they do not buy their tea and sugar, or other taxed necessaries of life, cheaper on one day than another.

Is this consistent with the condition, as laid down, for a *just* Income Tax? And is it any more consistent, if called a Property Tax?

Can anything show more plainly than this, the injustice and impolicy of taxing the wages of labor, and the profits of trade, or the produce of industry and skill, bodily or mental, of the common laborer, or skilled artizan, the manufacturer, or merchant, the agriculturist, the shop-keeper, or the professional man, until the products of his labor, or the profits of his industry and skill, have been realised?

Who can say, what is the net income of a common laborer, dependent on his daily labor for his daily subsistence? Or, even of a professional man, in like manner dependent?

How is the condition to be observed by a careful distinction between the gross receipts within the periods of computation, and the net amount reserved "to spend upon subsistence, conveniences and amusements"?

This is one of the impossibilities; for, it is admitted that, for the purpose of the income tax, a man's real income for a year, is not all the money which may come into his hands in that time, but what comes into his own pocket, or what he can spend in the twelve months.

The less the advocates of the present Income Tax say about "*graduating*" the tax, the better. The yeoman with £50 a year, does not pay income tax at all, being under the mark.

The professional man,—the Country Surgeon, for instance,—has not £300 a year,—like the fundholder,—and is taxed above his income. But if once the *graduated* scale be let into our system of taxation, we shall have Socialism in its worst form, in a disproportionate exaction from the gains of genius and successful enterprise.

And who would really bear the cost of these abatements? Would it fall on the estates of the nobility, and landed gentry? Must they make up the deficit?

No. Not the old wealth of the country, but the new —not the ancient revenues of the soil, but the growing produce of the human arm and mind—would be required to make up the deficit.

But the philanthropists and philosophers,—the financiers and actuaries,—would graduate the Income Tax only to equalize it.

Let them beware of worse inequalities!

And it may be well for Mr. Hubbard to remember that something more than a good intention is sometimes necessary to insure a good result, as he might have learnt, in his early childhood, from the familiar song of his venerable namesake:—

"Old Mother Hubbard,
"Went to the cupboard,"

With a very benevolent intention,

"But when she came there
"The cupboard was bare,"

And so—the good intention was frustrated.

A graduated Income Tax could never help to fill the cupboards of the laboring poor. On the contrary,—the tendency of such a measure must be, to diminish the store of contents in *their* cupboards, by diminishing the fund for the employment of their labor,—consequently, diminishing the demand for their labor, and reducing their wages.

Mr. Gladstone, in his view of the case, was not altogether wrong when he said:—"If you take away a penny to relieve somebody under Schedule D, you must put it on somebody else." This he terms an application of "this grand true doctrine—'the abatement of one man is the taxation of another.'"

This is true if applied to a tax on property, or on income derived from property; but it is not true if applied to a tax on the wages of labor, or the profits of trade before they are realised. It is quite true if applied, as Mr. Gladstone applied it, to a graduated scale of Income Tax for Schedule D., whether under the delusive notion of equalizing it, or any other notion.

"The abatement of one man is the taxation of another;" and further,—it is loss and injury to both.

But a properly framed tax on property, and the abolition of all other taxes on property or income, would amply compensate the burden of the tax upon the smallest incomes. No property, on which the tax would be worth the expense of collecting, would be exempted. Thus the tax would be equalized by the

same per-centage to all, and in this way only can it ever be equalized.

It is not by "taking away the tax," that a Chancellor of the Exchequer can "build himself an everlasting name;" though Mr. Gladstone said, in making his Financial Statement, in 1853;—"I think that some better Chancellor of the Exchequer, in some happier times, may achieve that great accomplishment, and that some future Poet may be able to sing of him;—

> "He took the tax away,
> And built himself an everlasting name."

It is not by "taking the tax away," but by adapting it for perpetuity, and connecting his name with those reforms, which would make it a lasting monument of his political skill, and fearless justice.

TRADES UNIONS.

A few words on this subject will be in their proper place here, and may be useful to those most concerned, if they will only bring to the consideration of the subject a little common sense. There is, perhaps, nothing new to be said about it, but this is quite clear, that a great many of the working class, whom it most concerns, understand very little about it.

It will surprise those who are seeking to interfere, by Trades Unions, with the wages of Labor, to be told that they are trying to bring themselves down to the condition of slaves. But this is the truth. It is equally true that they have no more chance of equalizing the rate of wages, than of equalizing the division of property.

No honest man was ever so ignorant as to suppose it possible to bring about an equal division of property.

It would be a harsh thing to say that, every leader of

a Trade Union must be either a knave or a fool, yet it is difficult to decide how otherwise to class him on his own showing. If he know that he is acting wrong, he is a knave. If he believe that he is acting for his own interest, as a working-man, and for that of his fellow-workers, he is a fool. In the former case, he is trying to make others believe what he does not believe himself, that he may the more easily cheat them. He is trying to make himself a slave-master, that he may have slaves under his command, always ready to work for him. The poor slaves look up to him, because he promises and threatens, and because they are slaves, very ignorant, and very cowardly. The *black* overseer is always the most cruel. He has been a slave himself, and he knows what slaves are.

This is a true practice, and no caricature. The only difference is that, instead of the brutal savage negro with his cow-hide lash, we have the cunning white slave-master with his scale of fines and secret intimidation, the last to be used only on the refractory and cowardly slaves. In either case they are slaves, deprived of their own free will; in the one case, working under a master who controls them with the lash, in the other with the money-fine, and intimidation.

Now, this is a great mistake on the part of the white slaves. But the mistake is their own, and they must suffer for it. In the case of the black slaves, the mistake is their masters, and they are suffering for it. The law is with the white slaves, and could protect them; but they break the law and will not have the protection. The law is against the black slaves, and declares them to be personal chattels, and stock-in-trade.

In both cases, it is the mistake of interfering with the wages of labor. This never did, and never can, succeed. The market price of labor is regulated by the same natural laws as is the price of every other market-

able commodity. Every attempt to force up the market price has a contrary effect in the end.

No laws can tamper with *the market price* with impunity. Neither can combinations. They can depress or lower,—never force up or raise. But they can destroy.

Now, let us see, by this *axiom*, what the Trades Unions are trying to do.

The leaders of most of these Trades Unions are now binding their members by solemn engagement, and enforcing its observance by money-fines and intimidation, to demand, in one form or another, more than the market-price for the only commodity which they can bring to market—their labor.

It is obviously the same thing, in effect, whether they insist on having a higher price, or on giving a smaller quantity.

If the market-price, for any particular description of labor, be 5*s*. for a day of ten hours, a reduction to nine hours raises the wages to 5*s*. 6*d*. a day.

To the master who employs 100 laborers, even this small difference is equal to £10 a month, or £120 a year.

If he employ 1000 laborers, this is equal to £100 a month, or £1200 a year. But if this should become the market-price throughout the kingdom for the same description of labor, as it soon would, this small difference would be equal to many millions a year. But this would not be all.

The higher wage brings more workmen.

All the employers of labor, who would keep their laborers, must make a corresponding advance in their wages; or, in some other way bribe them to remain, otherwise they would go and turn their hands to the more profitable work.

It would be no answer to say that, they would be less skilled in the new work. Of course they would be. But

the leaders of the Trades Unions are much too cunning to trouble themselves with that little difficulty. They do not venture to say that, one workman shall receive more than another in the same class. The steady and the skilled, the strong and the weak, the stupid sot and the idle vagabond, who have paid and pledged, are all equal in their respective classes, and must all be equally cared for,—must all be brought to the same dead level.

Suppose this state of things brought about by Trades Unions throughout the kingdom:—What must be the consequence? The masters who employ the labor must raise their prices, not only to meet the increased wages, but also to meet the interest on the increased capital which they would then require to carry on their trade. They who could not obtain the capital must retire from the trade, or become bankrupts. Many would retire, and many would become bankrupts.

But if this were the state of things, existing in every branch of trade employing labor throughout the kingdom, the increased capital required for the labor-market would be some hundred millions sterling a year.

Now, this is the case supposed, but supposed only, or pretended to be, by the leaders of these Trades Unions, and, perhaps, believed by many of their poor ignorant dupes. We are supposing this state of things to exist for the sake only of following out the consequence.

But now we are coming to the real difficulty,—into the broad sunlight of stern reality. This is a difficulty beyond the trickery of all the Trades Unions, however powerful their combination.

How is the interest on this additional capital in trade to be paid?

Out of profits,—to be sure.

But what, if the profits of trade be *inverse* to the rise in the wages?

The markets of the world are beyond the reach of any combinations.

We find it hard work now to compete with our foreign neighbors in those markets. What chance should we have when our laborers are dictating the rate of wages to their masters or employers? How long should we hold our own Home market when we had lost the foreign? What would become of our laborers when all our little traders, and half of our great ones, were retired or ruined? The laborers must be content then with what wages they could get. Many would get none at all, and they must starve, unless they could get away, which would then be a much more difficult matter than it is now. What would then become of the leaders of the Trades Unions,—the owners of these white slaves, then their miserable dupes?

They must escape out of the country, or they would be torn to pieces by the starving mobs. 'Of all rebellions, the rebellion of the belly is the worst.' The law can do but little to quiet *that*. The law does sometimes restore order, but never did restore trade, unless by repealing bad laws. Trade, in all countries, is regulated by a universal law. But a disregard of that universal law involves the disruption of social order, and that lets in Civil War, and its attendant, Famine, with many other vicious consequences, which the strongest only would survive. The weak must perish then, just as certainly as those who tumble into deep water must sink and be drowned, if they cannot swim, and there be no one near able and willing to save them. They may be innocent, but if ignorant, their innocence will not save them; for, in this world, suffering is a consequence of ignorance.

We do not find it to be the order of things in this world, that everything should be reduced to a dead level.

Nature does not work under any such POTTER-ing law. Instead of uniformity and equality, Nature delights in variety and inequality.

If all the land and other property of the country were equally divided, how long would that equality continue? Imagine that state of things for one week only, and then what would become of us all? There can be no equality. The nearest approach that we can ever hope to make to it is, in Justice.

In that way we may approximate to it, but must ever be at an immeasurable distance from it, and our approach to it will never be through Trades Unions. But towards it we have not yet taken the first step. To say that the strong shall be brought down to the level of the weak, is as great an absurdity as to say that the weak shall be lifted up to the level of the strong. It is very like finding fault with the Creator's work, and pretending to correct it. And, yet, it is this that our Trades Unions are doing. Unhappily for us all, this ignorant mistake has arisen out of a no less ignorant mistake of our Imperial Legislature.

If the Trades Unions knew how to state their case properly, they would be invincible. They complain of injustice. In that they are quite right. But they are very ignorant, and in their ignorance they commit a much greater injustice against themselves and others, than that of which they complain.

The only real injustice which they have to complain of is, that they are not allowed to enjoy the full reward of their labor. Being born with a constitution and physical and mental powers of some sort, and having no other property, they are obliged to work for wages, that is,—to let themselves out for hire. But the laws (in the making of which they have no voice) take away from them, at least, one third of their wages; or, what is

the same thing, make them pay in that proportion an increased price for all that is necessary for their existence, in eating, drinking, clothing, and housing. The laws, therefore, to that extent make them *forced* laborers, or slaves, for the benefit of those who, having property, are not obliged to work for wages. This is as manifest an injustice in principle and in practice, in fact and in effect, as to demand ten hours' pay for nine hours' labor. Those who are deluded into this folly are to be pitied; but their ignorance will not save them. By a law of Nature they must suffer.

But what is to be said for those who make laws to defraud the workmen of their wages? The law-makers are ignorant. They too must suffer through the natural law, which they have broken. But for the suffering, as a necessary consequence, we should never have a chance of improving. All experience shows that mankind must suffer for the wrongs which they commit, before they will set about repairing them. Wrong can never be made right by reprisals;—

"That wretched interchange of wrong for wrong."

We look in vain for a sense of justice in a people until they be governed by just laws, and that state of things we have never seen.

As regards the law, in the present question of Trades Unions, there is nothing illegal in their constitution, as long as there is no interference with the free will of the members.

Combinations of workmen, for protecting and regulating their rights, may be lawful and wise. But it can never be lawful to exact obedience to self-imposed rules, against the free-will of the party coerced. And it can never be wise to attempt what it is impossible to accomplish. Attempts of this kind were often made, in former times, by laws to fix the wages of labor. It was forbidden, under a penalty, that higher or lower wages

should be asked or offered for each kind of labor, than what the law fixed. But laws of this kind were found never to do any good. When the rate fixed by law for farm laborers, for instance, happened to be *higher* than it was worth a farmer's while to give for *ordinary* laborers, he turned off all his workmen, except a few of the *best* hands, and employed them on the best land only; so that less corn was raised, and many persons were out of work, who would have been glad to have it at a lower rate, rather than earn nothing. Then, again, when the fixed rate was *lower* than it would answer for a farmer to give to the best workmen, some farmers would actually try to get *these* into their service, by paying them privately at a higher rate. And this they could easily do (so as to escape the law), by agreeing to supply them with corn at a reduced price, or in some such way, and then the other farmers were driven to do the same thing, that they might not lose all their best workmen. So that laws of this kind came to nothing.

The best way is to leave all laborers and employers, as well as all other sellers and buyers, free to ask and offer what they think fit, and to make their own bargain together, if they can agree, or to break it off if they cannot.

Some persons suppose that the rising and falling of wages depend on the price of provisions: they imagine that wages must be higher when bread is dear, and that, when bread falls wages will fall in the same proportion; so that it makes no real difference to the laborer whether the price of his food be high or low. But any one who will observe and make inquiries will find that this is contrary to the fact. Wages are not found to rise and fall according to the price of provisions; and, indeed, there seems to be no reason to expect any such thing.

The reason why a skilful mechanic earns high wages, compared with those of common laborers, is, that his

services cannot be had cheaper. For the same reason, when laborers of any kind are scarce, (as, for instance, in a newly settled Colony,) wages will be high, because employers will then be looking out for laborers, and will bid against each other to obtain them; and however cheap subsistence may be, no one will work for low wages when he can get high.

On the other hand, when there are many laborers looking out for work, they will submit to labor for a bare subsistence, rather than remain idle and starve. The dearness of bread does not make it worth while to an employer to pay high wages, when he can get workmen for less; nor does it necessarily make their work *worth* the more to him. A clothier, for instance, or a cutler, may find the price of cloth or of knives remaining the same when the price of bread is raised. The labor, therefore, of his workmen will be worth no more to him than it was before.

In hard times, it sometimes happens that a farmer or tradesman is forced to part with some of his laborers, because the highest wages he can afford to pay them would not be enough for their support; so that they are obliged to go and seek for work elsewhere.

In prosperous times again, however cheap food may be, an employer may find it answer to pay his workmen high wages,—far beyond what is sufficient for their bare support,—if the demand for laborers be so great that he cannot get them for less.

The high or low rate of wages, in short, depends not on the price of provisions, but on the demand and supply of labor. When many laborers are looking out for work, wages will fall; and they will rise when many employers are looking out for laborers.

Laborers often suffer great hardships from which they might save themselves by looking forward beyond the present day. They are apt to complain of others, when

they ought rather to blame their own imprudence. They are, in general, very ignorant of their own interests, and very improvident because they are very thoughtless. If they would only take a little trouble to think, they would easily understand the few simple propositions on which their interests, as laborers, mainly depend. They would see the impossibility of paying all laborers the same wages; and they would then distrust those whom they now follow. They would see that the rate of wages does not depend on the hardness of the labor, but on the value of the work done. They would see that the value of each kind of work is like the value of anything else; that it is greater or less according to the *limitation of its supply*; that it is, the *difficulty* of procuring it. If there were no more expense, time, and trouble, in obtaining a pound of gold, than a pound of copper, then the price of a pound of gold would be no more than of a pound of copper. This may show the great difference, so important to be remembered, between price and value, which, when understood, have an entirely different meaning.

The *price* of a pound of gold is, we may say, £40; but the *value* of a pound of gold is, nothing. The £40 is paid, not for the value of the gold, which is valueless, but for the service rendered in obtaining it. The same reasoning must equally apply to every other natural production. All natural productions are more or less *useful*, but to be useful they must be used. Most of them are obtained by *efforts*, more or less arduous. By those efforts the service is rendered, and the value is in proportion to the service, or is supposed to be so. In the *utility*, which is the free gift of Nature, there can be no value, for nothing has been, or ever can be, given in return. Therefore, nothing is paid for the gold, which is the *gratuitous* service of Nature; but the payment is for the service of man, by whose efforts the gold was ob-

tained, and the price is the measure of the value of that service. This has been before explained, and is here repeated that it may be remembered.

If the workmen understood these things better, there would be no *strikes*.

They would see that, if all attempts of Governments, to regulate by law the rate of wages, are useless and mischievous, still more hurtful is the interference from another quarter; that is, when men, who are *not* lawful governors, and have no legal authority, combine together to control their neighbors, and to dictate to each man what wages he shall pay and receive, and how he shall dispose of himself and his property.

They would see that an *unsuccessful* strike must reduce them to a worse state than even the poor negro-slave in America; for the most hard-hearted slave-master finds it for his own interest to allow his slaves enough of food and other necessaries to keep them in health and strength.

But they would also see that a *successful* strike is still more mischievous, because its mischief is more *lasting*. The ignorant and violent men who have acquired dominion over their fellow-workmen, and over the masters, exercise the power to the injury of both. They do injury to the workmen by reducing all to the same level; preventing any one from being a gainer by good conduct, or from being discharged for bad conduct. Thus they take away all motives for exertion, and destroy the energy, the industry, and the character of the workman; and by thus spoiling the workman, and forcing the masters to pay higher wages than they can afford, and interfering with the arrangement of their business, they make their trade unprofitable. Some of the masters are ruined. Others turn all their capital into money, and either give up business, or go to America, or to some other part of the world where such folly and wickedness are not pursued.

But the work-people remain. Some of them try to learn new trades; but those who seek to maintain themselves in this way, generally find themselves prevented by other Trades Unions; the workmen combining to keep out all new-comers. Some live on the charity of their friends, and some subsist by begging, or go into the work-house.

In England, all those who are not wanted to till the land find employment in manufactures and commerce.

In Ireland, combinations have driven away most of the manufactures and commerce, so that *all* the people are forced to seek employment on the land. As there is not land enough for all, there is a continual struggle to obtain land and to keep it, which often leads to outrages and murders. It is a common practice, in many parts of Ireland, to let small plots of land,—an acre or less,—to the poor Tenantry, at the rate of £5 and £6 per acre, and even up to £10 per acre, per annum. These holdings, though continued from year to year, unsecured by any Lease, are universally regarded by the holders as indefeasible estates of inheritance, and are continually being sold by them to their own class for 20 and even up to 30 years' purchase. Sometimes the real landowner interferes, but then, if a resident, sometimes he is shot; or, if an absentee, sometimes his agent is shot. Such is the state of things over the greatest part of Ireland, as regards the Land-proprietors.

Formerly, Dublin was a great place for Ship-building. Now, no Ships are built, and scarcely any even repaired, there; because the Shipwrights' Union has driven elsewhere all the master ship-builders whom it has not ruined. The ship-building trade of Liverpool has greatly declined from the same cause,—the folly and tyranny of the Unions. Dublin, also, was formerly a great place for the manufacture of furniture: now, most of the furniture used there is imported from London. At Shef-

field, Trades Unions are all but omnipotent, for their laws have been ruthlessly enforced by murder, incendiarism, and infernal machines. The results are these;—the most skilful workmen have emigrated to the Continent, or America; Sheffield has lost several branches of its trade, and Sheffield would have been thrice as large, and thrice as flourishing, if such a thing as a Trade Union had never existed there.

Thus it is that a whole country may be made poor and miserable, in comparison of what it might have been, through the effects of these combinations; for they injure not merely those engaged in them, but every one else also, by preventing the employment of capital in setting laborers to work, by which they might support their families.

Most of the people of this kingdom reckon themselves free men, and boast of their liberty. They profess themselves to be ready to fight and to die, rather than submit to slavery. Yet many of these people choose to subject themselves to a tyranny more arbitrary and more cruel than that of the worst Government in the world. They submit to be ruled by tyrants who do not allow them to choose how they shall employ their time, or their skill, or their strength. Their tyrants dictate to them what masters they shall work for, what work they shall do, what machines they shall use, and what wages they shall earn. Sometimes these tyrants order them not to earn more than a certain amount; sometimes not to earn less; and sometimes to refuse all work, and see their families starve. They are heavily taxed for the support of their tyrants, and, if they disobey, they are punished without trial, by cruel beatings, by having their limbs broken, or their eyes put out with vitrol, and by death.

These unhappy persons are those who have anything to do with *Trades Unions and Combinations.*

But, as Archbishop Whately says:—"It is some com-

fort to reflect that the people have it in their own power to remedy the worst evils which they are liable to. Whenever they come to understand their own true interests, they will agree to resist all illegal combinations. They will resolve to act together firmly, not in resisting the law, or in seeking for alterations in it, but in supporting the law, and resisting all who try to encroach on any other man's rights. They will do their utmost to secure for themselves and all their countrymen *true* liberty; that is, that every man should be left free to dispose of his own property, his own time, and strength, and skill, in whatever way he himself may think fit, provided he does no wrong to his neighbors."

The following, which accidently came to hand, through the 'Liverpool Mercury,' of the 29th May, 1862, shortly after the foregoing remarks were written, seems to be so appropriate to the present subject, and so well calculated to be useful to all to whom it is addressed, that no excuse can be required for here introducing it, and, probably, no one will read it without a feeling of high respect for the humble unknown speaker of these words, and also of grateful thanks to the Editor of the 'Liverpool Mercury,' who has preserved them for the English Reader.

SPEECH OF A FLEMISH WORKMAN.

(*Translated, with introductions, from 'L'Avenir Commercial' of May* 18, 1862.)

We reproduce below (says a friend) the translation of a speech delivered by the President of the Cotton Spinners' Society on the 18th of January last, at a meeting of working men held at Ghent, in consequence of the distress caused by the scarcity and dearness of cotton. The orator, far more sensible than those master spinners who see no other cause for the difficulties they labor under than the treaty of commerce, clearly shows that governments can do nothing for the benefit of cotton spinning, and gives to the workmen counsels which many French employers

will do well to follow. We earnestly recommend our master founders and spinners to study this speech seriously, for they will find there, in reference to the import and export of merchandise, principles far more just than those with which the columns of the *Moniteur Industriel* are inundated.

This is the speech:—

"Friends and fellow-workmen, we speak to you as honest people ought to speak to honest people. We all wish to meliorate the condition of the working classes, but by the ways of justice and legality, for it is only by these means that we can progress.

"Let us always, then, show respect for the rights of each other: let us respect the property, the persons, and the individual rights of our fellow-citizens. We wish to commit no act of violence against anybody; we are neither robbers nor pilferers; we demand in all that we do the guidance of good sense; we listen to the voice of our consciences; we are obedient to our duties. Although we are operatives, we are also men, endowed with judgment and acting with intelligence.

"Away with the traitors who would seduce the workman to drive him to his ruin, and draw upon his family still greater evils than those which already so cruelly afflict him.

"The device of one of our most powerful societies of working men, '*For God and the Law*,' is not a hypocritical or fraudulent device; it binds us all. Let us remain faithful to it.

"Once more—we ought to strive energetically to realise the well-being, moral and material, of our brethren, by justice and legality, for they alone can enable us to obtain our object.

"We ought more than ever to be energetic and prudent. It requires great courage and fortitude to soften and enable us to support the misery which cannot fail, for some time to come, to increase amongst us; it requires prudence in order that we should not obey the promptings of our passions rather than the voice of reason; disorder must necessarily make our position worse instead of meliorating it.

"What measures ought we then to take? Or, rather, what are the measures which we should desire to be taken in our favor?

"They speak of prohibiting the exportation of raw cotton, actually as if we grew this article—as if we did not necessarily procure it from the foreigner, and even by foreign interposition. Belgium, especially, has the greatest interest in not shackling the trade in cotton, and in attracting as much of it as possible into her magazines. Merchants and dealers will hesitate less in

sending us large quantities for sale, when they are assured of the power of re-exporting them.

"Once these cottons find their way to our territory, we shall have a great advantage over the foreigner in the supply for our fabrics; for then, if the foreigner wishes to buy amongst us, he will have to pay for loading, freights, commissions, carriage, and unloading—all of them things which weigh upon the return price, and are consequently elements of loss.

"Thus, then, in prohibiting exportation, we should shackle imports, and consequently diminish our own supplies of cotton. We should also infringe upon the rights of property. We really cannot understand why a merchant who imports a cargo of foreign cotton should not be allowed to go and sell it where and when he pleases, exactly as we ourselves go to seek work, or, in other words, to sell our labor out of the country. The preference which he gives us in procuring for us on better terms than any others the merchandise with which he desires to trade is already for us, the workers of the fabric, as well as for navigation, transport undertakings, and for commerce, great and small, a favour for which we ought to be grateful to him.

"If we require more from him, if we compel him only to sell to us the merchandise which is his own property, he will take care for the future not to trust his property in our hands again.

"We ought, therefore, to leave entire liberty to commerce: our own interest demands it.

"What would happen to our cotton industry if North America, or even England, forbade the exportation of this prime material? We know that England is not sufficiently supplied; yet she continues to export cotton to the continent, and, amongst other countries, to Belgium. If Great Britain prohibited its export we should be considerable sufferers.

"Let us not, then, create deceptions. Besides, the prohibition of export could never be accorded to us. Importations of cotton are only made under the guarantee of the State, that it may be re-exported if necessary. The State will respect this contract.

"Other measures may be taken. It may be well to remind you that Government is not a second Providence, and that it cannot entirely remedy the unfortunate circumstances in which we find ourselves. It is not the fault of Government that war desolates America and Europe—that the cotton industry suffers. The power of relieving our misery which it possesses is limited. We ought to expect much from the intervention of the higher and

middle classes, and, above all, from our own activity. Let us help ourselves as much as we can, and God will help us.

"Those in power cannot always remain inactive. At former unhappy epochs the commune has actively assisted the *Bureau de Bienfaisance*, afforded it extraordinary aid, made domiciliary visitations, appointed extraordinary distributors to the poor, and afforded especial succor to those who are ashamed to ask relief. Beyond doubt the commune will now consider these things again.

"The Government, on its part, has not been behindhand. We need not here enumerate the numerous measures which it has taken to employ the working classes. The Ministry, during the first half of 1847, seeing the public wants augment in an alarming manner, resolved then to make great advances to our cotton industry. Happily circumstances changed shortly afterwards, and there was no necessity for carrying the project into effect.

"Let us, therefore, address ourselves respectfully to the Communal Council, in order that it may assist in relieving our wants, as it has already done in consequence of the famine in Flanders. Let us address ourselves to the State, in order that, on its part, it shall set to work to solace our sorrows. If it wishes to utilise them, it has the means. For this purpose it has only to apply, economically and usefully, the means at its disposal, whether in revenue or in power. We may observe, by the way, that the State acts unjustly in not exclusively employing free laborers on the fortifications of Antwerp, instead of the military slaves at work upon them.

"We specially require of the Government—first, to suppress or diminish all taxes on the necessaries of life, and especially those on salt, beer, and coal; secondly, to promote largely the efforts of commerce and industry; thirdly, to regulate properly public works; and fourthly, to arouse public benevolence.

"My brethren, we ought not to despair. Our position is difficult; but, after all, patience, courage, and moral energy are our best physicians, and they will not fail us. Let us rely, above all, upon ourselves. Let us hope, then, that the concurrence of various classes will not be wanting to us. Science and virtue, those sources of general prosperity, will not fail us, and Providence will have its eye upon us.

"Courage, my friends. We shall yet pass through this crisis; and, after many sufferings, we have happier times in store for us. To work! Let us labor, as becomes rational beings, with intelligence and wisdom."

INTOXICATING DRINKS.

Although it may not fall directly within the scope of our subject, yet it will, certainly, be introduced by many indirectly, and will be used by them as an argument against the removal of all Duties from Beer, Wine, and Spirits,—on the ground that this will be injurious to the physical and moral state of the People, by tending to the increase of drunkenness.

Without entering deeply into this question, on which so much has been said and written on both sides, a few remarks, though merely superficial, may be here usefully introduced, if only to place the question in its true position, that those who are under the impression that, the taxation of intoxicating drinks will prevent the abuse of them, may disabuse their minds of any such simple delusion. Strange and incredible as it may seem to many, yet it is true that this impression so strongly pervades a large party in this country that, it is actually urged by them as their strongest objection to any Scheme of Taxation which proposes the abolition of these Duties!

This must, therefore, be treated as one of the Objections proper to be answered, notwithstanding it will appear to many to be too absurd to deserve a serious answer.

However, the answer shall be as serious as the nature of the Objection will admit of.

It is impossible to deny that the removal of all duties from beer, wine, and spirits, will have an immediate and direct tendency to increase the consumption. But this is quite as true when applied to tea, coffee, tobacco, and sugar; and, perhaps, the increase in the consumption of these will be in a much greater proportion. The cheapening of necessaries and luxuries, has an immediate and direct tendency to increase the consumption. This is a necessary consequence, but is not necessarily an evil, as the Temperance Advocates seem to imagine.

That that which is good in moderation becomes evil in excess, is a truth applicable to many other good things besides beer, wine, and spirits. But as it requires a power beyond the human to eradicate evil, the best way of proceeding is, to make the good as abundant as possible, that it may prevail over the evil. It seems as if this life were meant to be a trial between good and evil. A hard struggle we know it to be, and it appears to have been ordained, from the first, that it should be so. The Temperance Advocates seem to think that this is wrong, and they would have it, and think that they can make it, otherwise. They admit that, the human being is created a free agent, but they think that he should not be permitted to remain so on this particular occasion. They remember the words of Him who said that, all who believed in Him, and lived according to His words, should be strong enough to resist all evil,—should be strong enough to stand in their own strength, that is, in the strength which He would give them, for, as He also said: "Without me ye can do nothing." They say that, they believe in all this; but, at the same time they say—'Do not trust yourself—take an oath that you will not trust yourself—call God to witness that you do not trust His Word—that you have greater faith in your own pledge to men, (for that is the real meaning of the pledge) than in His pledge to you;' and so, in token of their faith in their own pledge, they hang around the neck of their proselyte, a little silver medal, suspended to a little blue ribbon!

They would make the poor simpleton believe that, he may thus deprive himself of that free-agency, which, in this particular, was so improperly given to him, and that he may thus avoid the sin which, otherwise he is too weak to resist!

Now, what has been the result of these little schemes for fettering man's free will?

This question has been answered by Mr. George Lucas, one of the ruling members of the "United Kingdom Alliance for the Suppression of the Traffic in all Intoxicating Liquors as Beverages."

Here is his answer in his own words:—"I have here an Abstract of the working of the Leeds Temperance Society, from its origin in 1851. I find, in 1837, there were in connection with it 14 branches, 29 weekly meeting-places, 118 speakers on the plan, a Temperance periodical issued, and a regular system of visiting established. Now, 13 of these branch societies have died out at one time or another, and I think now only 4 of them have an existence, while only one of them has made vital progress. The 29 meetings have been reduced to 3. No speakers' plan exists, no system of visiting, no publication is issued. During the whole of the existence of this society, there has been a zealous and able committee, near £4000 expended, the best advocates in the world commanded; but, in spite of all, these reverses have been endured; and none so much deplore it as those noble men who have labored to promote the cause. Take now a few facts respecting Woodhouse Society, the one with whose history I am most familiar. It was established 19 years ago, had an active committee, every means that ingenuity could devise to promote its success was employed during a space of ten years, when the committee took a solemn review, and were entirely dismayed. They had got the people with them, but they had gone back again, and could scarcely tell from whence their committee could be sustained. This was their condition after ten years of earnest and sacrificial industry had been devoted to the cause; and I am satisfied, so far as I have ascertained the facts relating to Gateshead, and the Temperance Societies in general, that this is a summary of their history in the kingdom."

Such is the testimony of an unexceptionable witness respecting the modern scheme for the regeneration of society!

Truly,—as said by Dr. John Barclay, of Leicester, in his admirable pamphlet on "Ale, Wine, Spirits, and Tobacco,"—"The first and only real Temperance Society was established a little more than 1800 years ago, and by that Society of Christianity we are bound to be temperate, not only in drink, but in everything."

The cost of the liquors consumed in the United Kingdom yearly, is estimated at £60,000,000. Accepting this estimate as not extravagant, and assuming that one-third of that sum represents the amount paid for the quantity worse than wasted *in excess*, in that drinking which does perceptible harm to the tippler, this gives £20,000,000 as the sum lost to the nation by excessive drinking; and of this sum so wasted, the Exchequer is supposed to gain, and does, in fact, receive from duties, about £5,000,000, leaving the yearly sum of £15,000,000 worse than thrown away by the working class of this country; the whole revenue derived from spirit duties being about £11,000,000 annually. These estimates are sufficiently near the exact truth for the present purpose.

Now, what are the conclusions to be fairly drawn from these facts without reference to any party feeling in the Temperance Question?

The conclusions are these:—

1.—That £40,000,000 sterling represents the cost of the liquors annually, and not improperly, consumed in the kingdom.

2.—That £20,000,000 sterling represents the cost of the liquors annually, and improperly, consumed in the kingdom.

3.—That £5,000,000 sterling represents the revenue derived annually from the liquors so improperly consumed.

Can it be fair or wise to stop or impede the supply represented by £40,000,000, to those who do not improperly consume, for the purpose of stopping or impeding the supply represented by only £20,000,000, to those who do improperly consume?

Can it be just or wise in a Government to draw a yearly revenue of £5,000,000 from that which is known and admitted to be so improperly used?

There can be but one rational answer to these two questions. It cannot be fair or wise to commit an injury to the larger number, for the sake of doing a service to the smaller number. It cannot be just or wise to make a profit of that which is an admitted wrong. But would the sacrifice of the majority in this case save the minority? Would it even serve them? All experience has established, what reason without experience might have shown, that it could neither save, nor serve. It is so notorious as to be universally admitted that, notwithstanding all the enthusiasm and energy of the numerous Temperance Societies and Alliances, drunkenness among the working class greatly prevails. And yet, among the upper class, it is equally notorious and as universally admitted that, drunkenness is so greatly diminished that, to see a drunken gentleman or lady,—(the last especially) is quite a remarkable occurrence.

Why this distinction? if it be a question only of human appetite, as the Temperance Advocates treat it. Ladies and Gentlemen are human beings, with human appetites quite as keen for sensual pleasures as their inferiors; and, certainly, are not restrained from gratifying the habit for drink by want of means or opportunity. And in what does the inferiority consist, but in the inferior power of restraining the appetite by the reason? The evidence of this is in the fact, and is admitted in the very argument of the Temperance Advocates.

They say;—"tax spirits."

Well,—spirits are taxed, but still, the poor, who can ill afford, buy them, and get drunk. Therefore, the objection lies in the excess. The Advocates say;—"tax higher, and you will prevent this excess." But, how so? The rich, who *can* afford, do *not* get drunk. This shows that it is not in the facility of getting drunk, but the desire to get drunk, that makes the drunkard; and this is further shown in other countries, where the facilities are much greater than in this, and yet drunkenness is much less common.

But, suppose the tax prohibitory. Would that stop or materially diminish the vice? Those who think so must have but little knowledge of human nature. It would neither stop drunkenness, nor materially diminish it. But it would increase smuggling and illicit distillation, and would very materially increase other evils, which would lead to other crimes.

But assume the tax prohibitory, and the smuggling kept down by a sufficient armed force, which must be at a cost nearly as great as the whole of the present revenue derived from the spirit duties. Would intoxication then be put down, or materially diminished? Who can suppose that? Would the desire be less, when the people were made frantic by the loss of that which they desired? To suppose that, is to suppose human nature different from what it is. The evil desire remaining would seek its gratification in some other way, and would obtain it. We might expect to see it very soon in the new character of the Opium Eater, as yet, fortunately, almost unknown in this country. We have not yet experienced that sort of intoxication; but we have heard of it, and of its effects. We should soon hear of more murders, robberies, and personal injuries—much more of all the evils of listless idleness, and reckless debauchery, than we had ever before heard or dreamt of in "merrie England." We should soon lose our *prestige* as a

Nation, for we should lose our National Character as a People. We should be referred to as a Nation and People once great and powerful, because good and true. Drunkenness is a great vice, and leads to many other vices, and to many crimes. But the British People have always been great drunkards; and, yet, they have always been considered to be, and they have always proved themselves to be, a great People. They can never be made sober by legislation either "permissive" or prohibitory.

So much for the Temperance Party.

Now for the Temporising, or Timid, Party, more moderate in their views and language, but little better reasoners, who fear the increase of drunkenness from the abolition of all duties on beer, wine and spirits, and who would rather see these duties raised than removed or reduced.

These Gentlemen think it too dangerous an experiment to remove all duties. They consider high duties on these articles desirable for discouraging drinking, and they entertain some vague notions that, in the march of improvement, particularly by education, intemperance will be cured in the working class, as it has been in the upper class; and, therefore, they are for temporising.

But the root of the evil lies deeper than they see, or choose to acknowledge. It is not in the facility of obtaining supplies, for it is not a real want. It is not even in the drink itself. It is in the want of something better. It is the gross sensuality which makes inebriating drink, to some, the sweetest pleasure. It brings to them that temporary relief which, in their position, they feel the want of, and which defective education cannot furnish. As Dr. Johnson, in answer to Boswell, said:—"Sir,—who makes a beast of himself, gets rid of the pain of being a man." Madmen are all sensual, in the lower stages of the distemper. They are eager for gra-

tification to soothe their minds, and divert their attention from the misery they suffer. To a fatigued body, and an uninformed and unoccupied mind; degradation soon becomes tolerable, and self-denial all but impossible. Higher tastes being uncultivated, habits are formed by circumstances. If the circumstances be depressing, the habits will be low. It is in the persons, not in the beer or gin; in their habits and circumstances, not in their drink; in the unfurnished mind, in the cheerless home, not in the flaring gin-palace, or in the comfortable parlour of the country ale-house. What avails it to close the gin-palace, and the public-house, if the mind be still unfurnished, and the home still cheerless? What avails it,—if that were possible, which is not,—if the prohibition were complete? The first effect would be a sudden increase in the consumption of opium,—and that prohibited,—what next?—and what next? That would be to guess,—but, certainly, it would not be temperance. By an army of spies and informers and by tyrannical laws, the People may be made prisoners, and the Kingdom one huge gaol, but they will not have been made temperate.

The most fatal cause of intemperance is the want of something better. This cause applies more to the working classes than to others, and, therefore, intemperance is more common among them. Like all uneducated, or ill-educated, persons that have no intellectual tastes, sensual gratifications are almost the only pleasures they can appreciate. In the midst of a high civilization, they retain many of the characteristics of savages; with one predisposition more to intemperance, in that they lead a much less healthy life. When they have warmed and fed themselves, how can they employ what remains to them of time and money more agreeably to themselves, than in the buying of spirits, or beer and tobacco? When they have time to get drunk, they get drunk.

That is their way of spending their money and leisure to procure the highest pleasure they know. In higher life, balls, operas, and dress, produce to some the highest pleasure, and that is their way of spending their money and leisure. What cards, clubs, operas, dances, dinner parties, are to men in one sphere of life, the public-house is to those of another. It is the place where they find that enjoyment which they most value, and which they can find only there.

If this be the state of the case—and who can doubt it?—does not this suggest other and wiser means of dealing with drunkenness, than by taxing, or prohibiting beer, and spirits, and suppressing public-houses?

As well remarked in one of our most ably conducted periodicals,—"The National Review," January 1860, —"The workman, as a rule, reads but little, even where he reads at all. The penny newspaper is with him the chief literary rival of the beer-can. And if it were so with us, we doubt whether the literature would carry the day. The Workman's home offers to his senses none of those gratifications which the middle class man finds in his. Its rooms are inevitably small, because, especially in towns, little space can be given for the rent he can or will pay. They are ill-furnished, because he had little money saved for furnishing when he married at two-and-twenty, and because he had not that educated intelligence which would enable men of a higher class to extract much substantial comfort out of small means. They are untidy, often unclean; for his wife is a bad manager, and his family is numerous. His supper is ill cooked, and, of course, therefore unwholesome. In a word, he is thoroughly uncomfortable in body, and his mind vacant. What wonder, if he seeks comfort and amusement where only he can find them?"

One of the chief causes of intemperance, indicated by its prevalence among workmen in well paid trades is,

the low standard of living adopted by the working class. The more that can be done to induce the workman to increase his home comforts and requirements,—the more that can be done to improve his dwelling-place,—to encourage his dormant taste for decent accommodation, for good furniture, for cottage ornaments, for wardrobes, with good and suitable clothes for himself and boys, with good and suitable dresses for his wife and daughters,—the more interest he can be induced to take in these things, the better man will he be, and the less drunken. Men in all classes will make great exertions, and great sacrifices, in order not to fall below their usual style of living,—"to keep up appearances,"—and avoid loss of caste; and workmen in these respects are not less proud than their employers. Once raise their standard to the average level of their earnings, once induce the formation of a higher standard in the ranks of the working class, and a death-blow is struck at national intemperance. Teach the workman (if he will be proud,) to be proud of his home, and of the appearance of his family; and the best part of the work of education, for him, is then done, his steps are then diverted from the public-house, to his home.

But now, the public-house is the working-man's club, and a club of which he has more need than his betters have of theirs, inasmuch as he has less enjoyment at home. Give him a better one, and, may be, he will leave this; but, a club he must have. He needs society, —he needs a comfortable room to sit and smoke and hear the news in, to keep his mind from sheer vacancy, and he needs it the more because his work is generally the same dull routine of labor, and he reads so little.

As a working-man himself has expressed it:—"The working-man after his day's work, wants a little company, and news. Mostly he can get that only at the

public-house. He does not care much for the drink, but as he cannot have the company without the drink, of course, he takes it. The habit, in some cases, grows upon him, and he becomes a drunkard."

Why wonder at this which is all so natural? Where is he to go for necessary change and recreation? Where, but to the public-house? Can he go and enjoy his pipe and his company at home, in his one small room, his wife working there, and rocking the cradle with her foot? She would scarcely thank him for that.

"The Country Parson" must have given the following description from living scenes.

"How well one can understand the state of mind of a poor man quite crushed and spirit-broken: poisoned by ceaseless anxiety: with no heart to do anything: many a time wishing that he might but creep into a quiet grave; and, meanwhile trying to shrink out of sight, and slip by unnoticed! Despair nerves for a little while, but constant care saps, and poisons, and palsies. It has shattered many a nervous system, unstrung many a once vigorous mind, crushed down many a once hopeful spirit, and aged many a man who should have been young by his years."

Dr. Southwood Smith, whose long and loving labors to improve the moral and sanitary condition of the working classes, and whose great experience and medical skill, added to great abilities and untiring zeal, have placed him highest in the list of authorities on this subject, has, on this particular part of it, thus expressed himself.

"A clean, fresh, well-ordered house exercises over its inmates a moral, no less than a physical, influence, and has a direct tendency to make the members of the family sober, peaceable, and considerate of the feelings and happiness of each other; nor is it difficult to trace a connection between habitual feelings of this sort, and the

formation of habits of respect for property, for the laws in general, and even for those higher duties and obligations the observance of which no laws can enforce. Whereas, a filthy, squalid, unwholesome, dwelling, in which none of the decencies common to society—even in the lowest stages of civilization—are or can be observed, tends to make every dweller in such a hovel regardless of the feelings and happiness of each other, selfish, and sensual. And the connexion is obvious between the constant indulgence of appetites, and passions of this class, and the formation of habits of idleness, debauchery, and violence."

Then, again :—look at the Trades Unions, the Benefit Clubs, and Friendly Societies, (as these are miscalled) so thickly spread over the kingdom, and,—among their many other abuses—see how fruitful they generally are of encouragement to drunkenness.

No terms of denunciation can be too severe against the practices of these most injurious Associations. No language can express too strongly the dangerous influence which they exercise for leading into the worst sort of temptation those whom they get into their power; nor too strongly reprobate the means by which they obtain and hold their power. For a full understanding of these means, and of this power, and of all the injurious consequences, the facts must be sought for in numerous printed Reports of the proceedings of these Trades Unions, and Benefit and Friendly Societies, and especially in the various Reports of Select Committees of the House of Commons, the main results of which can here be only very slightly glanced at.

Few, perhaps, have bestowed, or ever will bestow, the time and pains necessary for bringing from darkness into light the numerous and important facts bearing on this question, and buried in those repositories for dead truths. But *there* are to be found the true causes of intempe-

rance, and it must here suffice to say that, those causes are not in the facilities for getting drunk, but in the little encouragement given for keeping sober.

That this was Burke's view, is evident from the following extract from his political writings:—"As to what is said, in a physical and moral view, against the home consumption of spirits, experience has long since taught me very little to respect the declamations on that subject—whether the thunder of the laws, or the thunder of eloquence "is hurled *on gin*," always I am thunder-proof. The alembic, in my mind, has furnished to the world a far greater benefit and blessing, than if the *opus maximum* had been really found by chemistry, and, like Midas, we could turn every thing into gold.

Undoubtedly there may be a dangerous abuse in the excess of spirits; and at one time, I am ready to believe, the abuse was great. When spirits are cheap, the business of drunkenness is achieved with little time or labor; but that evil I consider to be wholly done away. Observation for the last forty years, and very particularly for the last thirty, has furnished me with ten instances of drunkenness from other causes, for one from this.

Ardent spirit is a great medicine, often to remove distempers—much more frequently to prevent them, or to chase them away in their beginnings. It is not nutritive in *any great* degree. But, if not food, it greatly alleviates the want of it. It invigorates the stomach for the digestion of poor meagre diet, not easily alliable to the human constitution. Wine the poor cannot touch. Beer, as applied to many occasions, (as among seamen and fishermen for instance) will by no means do the business. Let me add,—what wits inspired with champagne and claret, will turn into ridicule—it is a medicine for the mind. Under the pressure of the cares and sorrows [illegible] mortal condition, men have at all times, and [illegible] tries, called in some physical aid to their

moral consolations,—wine, beer, opium, brandy, or tobacco."

Some may think Burke, even on this question, no common authority: at any rate, this reads very like common sense.

From all this, we may learn a useful lesson, which is, that if we would make the People better, we must first make them happier.

The miseries of human life are made up of large masses, each separated from the other by certain intervals.

But the happiness of life, on the contrary, is made up of minute fractions—as Coleridge said:—"the little soon forgotten charities of a kiss, a smile, a kind look, a heartfelt compliment in the disguise of playful raillery, and the countless other infinitesimals of pleasurable thought and genial feeling."

But it is a happy world after all,—and was, surely, intended to be so for all,—as we may see in a spring noon, or summer's evening, when myriads of happy creatures crowd our view, whichever way we turn our eyes. As Paley said:—"their sportive motions, their wanton mazes, their gratuitous activity, their continual change of place without use or purpose, testify their joy, and the exaltation they feel in their liberty, and lately discovered faculties."

Can any one contemplate this lowest insect life, and for a moment doubt that this world was intended to be a happy for the highest human life? And if it be not a happy world;—why is it not?

Perhaps, the answer is to be found in man's wickedness—and, mainly, in the cruelty and injustice of man to man.

HOW TO MAKE INTOXICATING DRINKS HARMLESS.

We have already said that—'the causes of intemperance are not in the facilities for getting drunk, but in the little encouragement given for keeping sober.'

We will now show how more encouragement may be given, and how effectual that may be made.

To make out even a plausible case for prohibition, it must be proved that this would be an effectual remedy, and that no other can be found. Both these propositions are asserted by the prohibitionists; but neither of these has been, or ever can be, proved.

It is said to be easier to make a nation of abstainers, than to cure a nation of drunkenness. But what has ever been done to prove this, or to lead any one of common sense ever to expect this?

But this is not the question. The choice is not between abstinence and drunkenness, but between moderation and excess.

It has yet to be shown that moderation cannot be obtained without the aid of prohibition; or, that temperance is impossible. It has yet to be shown that a Maine Law will accomplish its object. If it stop drinking, will it cure intemperance? It does not reach the root of the evil. The root lies much deeper. It is not in the facilities for drinking. It is not even in the drink itself. It is in the want of something better. Raise the working man's standard of comfort. Give him new wants, and thereby raise his standard of intelligence. But first, it is essential that all his domestic comforts should be increased. These will create the new wants, and will also go far to provide for them. The want will not be provided for until it be felt; and, if all things be right, the want will find means to provide for itself. For this no law but the law of Nature is required. Any interference

with that law is a manifest injury. It is not within the province of human law to interfere with the freedom of individual will in that which concerns the individual alone. It is no justification of such interference to say that, the exercise of that will reflects injury or pain to others. Reflected injury or pain, which is transferred through the feelings, is not properly cognizable by human law, though it may be open to social reprobation.

It may be said that no individual member of society can inflict an injury on himself alone. That, in the extended sense, may be true. But that is not the sense in which the expression is here used. The rights of individual freedom of will are sufficiently defined in this country to make the expression, in the sense here intended, easily understood.

The object is, to show that any attempt to limit or control, by human law, the free exercise of individual will, so defined, is unwise, and, in the end, must always fail. Human beings were created free agents, and they cannot, by human laws, be altogether deprived of free agency, even though it may often be exercised to the injury of themselves and others connected with them. But we may be sure that, there is a remedy for every human evil, and, certainly, for this; never *by* human means alone, but always, nevertheless, *through* human means. The remedy can be only through human laws and practices, in conformity with the Divine Law of Love, which combines Justice with Mercy.

The man who has learned self-respect may be held to be emancipated from the thraldom of intemperance. The spread of institutions which is now taking place in the manufacturing districts for providing society and comfortable accommodation, seems likely to have in this, as in many other respects, a most healthy influence on the character and habits of the working classes. But to improve the working man's home should be among the

first objects—as it certainly would be among the most powerful means—of those who desire to improve his habits. At present, the laboring classes have a keen appreciation of luxury in the gross form of plenty of good food, and strong drink; but little appreciation of what is understood, among the more refined classes, by comfort, because little used to it. Now, nothing is so likely to diminish both their desire for, and their willingness to pay for, luxuries, as an increasing love of comfort. How these first objects are to be attained, is the question now to be answered.

This question has been already answered, and the answer is simply this:—by setting Trade and Labor free from all imposts, duties, and restrictions; establishing Free Trade, and relieving the Wages of labor and the Profits of Trade, as such, from all taxes. The working-classes would then receive in full, and enjoy unrestrained, their wages of labor.

The unprecedented extension of trade would occasion such an unexampled demand for labor that, an increase in the general rate of wages would be a necessary consequence. Not only would the money value of wages be increased by the reduced price of all the necessaries and luxuries of life, but also the actual amount of the wages would be increased in proportion to the increased demand for labor. Nor would the reduction of prices be only in the amount of duties abolished. Trade, and the profits of Trade, would be so increased by the removal of all restrictions and impediments, that competition would bring down prices much below the amount of duties taken off. The increased trade would cause a great increase in the number of ships, and this increase would lower freights. The increased demand would cause a corresponding increase in supplies, and competition would lower the cost of production. Thus, the price to the purchaser would be much lower than the

reduction by the amount of duty taken off, though all these operating causes would emanate directly from the duties removed.

All these are so clearly necessary consequences as scarcely to need being pointed out.

It has, already, been shown that ninety-nine hundredths of the whole population hold no part or share in the Nation's Debt, and yet that the yearly charge for the Interest and Management of this Debt is paid by the working classes, and one-tenth, or thereabouts, by the property class.

Under the new state of things proposed, all Savings' Banks, Benefit and Friendly Societies would give place to more simple and sensible proceedings. Public and private improvements would *then* keep pace with public and private prosperity, and poverty would *then* be the exception, instead of being, as now, the prevailing rule, among what are now called the *lower* classes.

The wages of labor for the working class would *then* be, in purchasing power, at least, one-third more than the present amount, and would be ample for providing them with decent and comfortable dwelling-places, fitted up, furnished and provided with all that should be in every working man's home,—with all that should be in every Christian home for decency and social comfort.

With good order and homely taste so cultivated and encouraged, education would exercise more influence on the working classes, and they would then begin to appreciate good education, and moral training, in a manner never yet known amongst them. They would then find themselves, more than ever, dependent on themselves; and they would then learn to value independence for the innumerable comforts and blessings which it would bring with it. They would then find their weekly earnings more than sufficient for their weekly wants, and they would find a surplus to be

disposed of, which they would be free to invest in their own way. They would then find many ways for investing it to their own advantage, and still to keep it in their own control. Many would invest it in their own little freeholds; many in little building, and other trade, speculations. Great numbers would set up little shops, and start in various handicrafts, on their own account. But still greater numbers would advance their savings to their masters, on a certain share of, or per centage on, the profits of their manufactories, trades, or callings. What these accumulated savings might be, in the aggregate, some notion may be formed from the actual amounts now invested in Savings' Banks, Benefit Clubs, and Friendly Societies. That these savings would very far exceed in amount the aggregate of all such investments, can hardly be matter of doubt; neither can it be doubtful that the savings, when brought into active operation as new and productive capital, would be attended with more beneficial effects to the country at large than any imaginable amount under the management of the classes who now hold and direct it.

Assuming that the present system of Savings' Banks, Benefit Clubs, and Friendly Societies, is productive of more benefit than injury to the country;—assuming that, notwithstanding the private jobbing with the contributions to the Benefit Clubs and Friendly Societies, and all the despotism and dishonesty of the ignorant managers;—notwithstanding the present practice of public jobbing with the large sums of money collected in the Savings' Banks, which adds to the permanent Debt of the Country some millions sterling a year;—assuming that very questionable fact that there remains a balance of benefit,—still, who can doubt that, these vast sums of money added directly to the *productive* capital of the country would be attended with far greater benefits to all classes?

With such additional bonds of union, between all classes, as the new system would introduce,—which time would strengthen, and which mutual interests would make permanent,—what would become of the Trades Unions, the Benefit Clubs, the Friendly Societies, and other combinations, which the industrial classes, to their own great injury, are compelled to join, but which no compulsory law ever can, or ever ought, to suppress? All these would die a natural death, and the occasion of their birth no longer continuing, there would, very soon, be no survivor.

But other Associations would arise, in many instances with similar objects, though conducted on very different principles, and held together by very different means.

These would be simply and purely for investing the savings of labor, under rules and regulations comparatively few and simple, and easily carried out, under the sanction and protection of Parliament.

What would then be the state and condition of the People?

Trade and manufactures increasing and extending, the demand for labor, and the rate of wages, must increase in proportion.

Population rapidly increasing with the prosperity of the People, the increased and ever increasing demand for the necessaries, and comforts, and luxuries of life, must maintain improved markets, not only for foreign productions, but also for our own produce, for which the Home Market must always be the best in the world. Thus, Rents must rise for the benefit of the Land-owner, Land and its produce, as well as stock, being in greater demand; and wages must rise for the benefit of the land-laborer, agricultural, as well as all other labor, being in greater demand. Thus, the landlord and the land-laborer, the farmer and the grazier, the stock grower and the salesman, with all their various and infinitely numerous

subordinates and dependents, would all take their own appropriated shares in the universal prosperity.

Customs and Excise Duties all abolished, the necessaries and comforts, and many of the luxuries of life, would be accessible to all, at the nearest possible approach to the cost of production, and the observance of the decencies of life being within the power of all, social reprobation for non-observance would be in stronger operation.

The Assessed Taxes being all abolished, would bring within the easy reach, of nearly all, much healthful recreation for mind and body, from which they are now cut off, to their own great injury, and no one's benefit.

The Stamps all abolished (except postage stamps), would relieve an immense class of Shop-keepers, and little traders, from an injurious, and, in many cases, oppressive, and, in all cases, vexatious and foolish impost.

The Income Tax abolished, would relieve all classes, (and a very large class most especially requiring this relief), from an obnoxious impost, because unequal and unjust, and because directly encouraging fraud and perjury, with many other iniquities, all evils against social order, tending to demoralize Society, and otherwise to cripple the resources of the country.

The Probate, Legacy, and Succession, Duties, all abolished, would relieve the whole class of property-holders of the kingdom from injurious, oppressive, and vexatious, imposts, which are sapping the very vitals of the Nation, and supporting a system of official fraud, which no watchfulness and skill can detect or counteract, and supporting a system of Government patronage which no supervision can control or direct.

The Land Tax abolished, and that farce ended,—with all these abolitions,—with this army of official retainers in Customs and Excise Departments, Stamps and Taxes Departments, and the other innumerable Public Offices,

all disbanded, and their Commissioners, Clerks, Collectors, and other Confederates,—all swept away;—with all these reliefs to the People, what a death-blow would be struck at DRUNKENNESS! What an increase and extension of social and domestic comfort throughout the Land! What an elevation of the standard of the working-man! What a brightening of his present prospects, and future hopes! What an encouragement to provident care for his present, and for his future!—for himself, his Wife, and Children!—for present enjoyment in the young life of health and strength,—and for future provision in the days of sickness and old age!

Would the working-man drink away such a prospect as this?

Would he turn away from this, for the Work-house and prison fare before him? and which then ought to be his only alternative, his only resource,—the only resource for all, but the helpless children, the sick and the afflicted, the old and the infirm.

Would he then despise or neglect the blessings of good education and moral training, the force of good example, and the scorn of social reprobation?

This has never yet been tried.

Who will dare to say that it *must* fail?

It *may* fail. But who can tell? It has never yet been tried.

Why not try it?

It *may* be true, and truth is always true.

But this we may know,—that human nature would hen be working with us, instead of against us, for Jusice would then be at work for us, and this ought to be ufficient, at least, to justify the trial.

It is said that, education fails to diminish intemperance,—that the most educated districts are the most oted for drunkenness. This may be so, or may not. ut it is likely enough to be true, and if it be, what is ere in this to surprise any one.

Is Education morality, wisdom, or prudence? Nothing of the kind. Education is no more virtue, or the sign of virtue, than it is riches, or the sign of riches. It often accompanies virtue, but, at least, quite as often accompanies vice. So also it accompanies riches, but quite as often poverty. But virtue is often unaccompanied by education; and often so are riches. What King David said, some thousands of years ago, is much more to the purpose:—"I have been young, and now am old, and yet saw I never the righteous forsaken, nor his seed begging their bread."

That we must look to education as a means of correcting intemperance, as well as many other evil habits, is quite true. But it is a miserable mistake to look to this as the chief means, since it can never be anything more than one of the smallest, and then only in combination with other, and far more powerful, means.

The most powerful,—and, it might be said,—the only powerful means is, *moral training* from early infancy. This, under Divine Grace, we all believe to be all-sufficient. We are directed to "*train up* a child in the way he should go." We have no direction about Education.

Amongst human means, the first and most effective undoubtedly are, the forces of moral example, and of social reprobation. But, in the distress of destitution, and in the misery of social and domestic discomfort, even these forces, as experience so painfully teaches, do not avail to reform evil habits, and establish good. As long as human nature is as we find it, all the education which this world can give, will avail nothing to extricate human beings from intemperance, and other evil habits. They must be made to know and to respect their own position in the great social state by participation in its responsibilities, and also in its pleasures and enjoyments, and there must be throughout a well sustained hope of something better, both here and hereafter. But espe-

cially there must be a sufficient supply of the wholesome necessaries, the decent comforts, and the healthful enjoyments of civilized life open to all honest, able, willing, and industrious, applicants.

To furnish these to all such applicants is the *first* duty of every civilized state.

It might even be said, and with much truth, that all such applicants,—especially Agricultural laborers,—have a strong claim to be *first* served. Something like this was said by that firm friend of the People, Cobbett, who, when dying, even when his senses had become dim, still muttered:—"I have ever been their friend. They make all things to come. It is right they should have their full share first."

In this way, those who come into the world without, what are called, worldly advantages, will learn that they have an important position to fill in the social state, with valuable rights and privileges, which are to them as much their property, as hereditary possessions are to others. Education will then help them to appreciate the advantages of their position, and to respect it. But as long as they have none of these advantages, it is too much to expect that Education should teach them to appreciate what has no existence, or to respect what is never treated with respect.

These are serious words, and are here used as a serious warning.

When the temperate and industrious man, able and willing to work, hears the cry of his bewailing wife, and the moans of his famished children, the chances are, if he be a very uneducated man, that he will rush out of his cold and cheerless dwelling-place, to the warm and comfortable room, and more agreeable society of the public-house, and that he will become a drunkard.

If he be a better educated man, the chances are that

he will supply his pressing wants by breaking into his richer neighbor's house, and removing thence some superfluities.

In Ireland, where the human temperament seems to be warmer, and where education is more generally extended among the laboring class, than among the same class in England, the Father of the family, or his grown up Son, rushes out of his wretched cabin with his loaded gun, and lurks behind a hedge for his expected Landlord.

Will the teacher, or the preacher, ever stop any of these men?

Never—whilst human nature is as it is, and is treated as it is.

Who is most to blame for this state of things?

THE GOVERNMENT OF THIS COUNTRY.

Who will be held responsible for these acts, when human motives are made clear, and human actions come to be weighed by the mighty arm, and the outstretched hand of unerring Justice?

Who can tell?

But what, and if, the rulers reject the remedy which has been brought before them!

This is no fancy picture which is here referred to, though not here drawn. It is not necessary to draw it here. It may be seen in this our much favored land, in every quarter, in every district, in every city, town, and village, in every street and alley, in every road and byeway, in every nook and corner. There the picture may be seen in all its hard reality. The People see it, all know it. Much is done to relieve it, but nothing to prevent it.

Will the People now think of the remedy here offered?

Will they inquire into it,—for their own sakes?

If they think it worth the trial, will they, through their Representatives in Parliament, demand that the trial be forthwith made?

All that is wanted for the trial is, the will of a united People.

Without that the trial never will be made.

The strong will and firm resolve of a united People, bound together by their common interests, and acting in the exercise of their lawful privileges, is all that is now required for restoring their ancient constitutional rights, and redressing their grievous wrongs.

Then will be seen, for the first time, a free nation,—a free People acknowledging freedom in its true sense, in laws and institutions; and then will be seen a nation reaping the results in prosperity and greatness unexampled in the history of the world. A free people and free trade will work together, and, as they work, so will they increase in numbers, wealth, and greatness. The many millions sterling set free by the abolition of Customs and Excise, Stamps and other Duties, and diverted into other channels, will be as so much new capital to be applied in productive industry,—in agriculture, trades, and manufactures; in higher cultivation, and reclaiming waste lands; in extending our trade, and spreading our manufactures more abundantly over the whole world;—thereby increasing the nation's wealth and power,—strengthening its bonds of union with other nations,—advancing the civilization of all nations,—and promoting the welfare of all People.

What would *then* be the picture of the interior of the cottages of the working classes throughout this kingdom? We may hope then to see, what now we only read of,—"merrie England,"—and,—"a bold peasantry, Britain's pride."

The author of "Philip Van Artevelde," in his last published volume "The Eve of the Conquest" has well described our present state of high physical civilization and refinement, in which knowledge is mistaken for wisdom, and the Nation's greatness for

the People's happiness,—in the following exquisite lines:—

"Oh, England! 'merry England,' styled of yore!
Where is thy mirth? Thy jocund laughter where?
The sweat of labor on the brow of care
Makes a mute answer: driven from every door.
The May-pole cheers the village-green no more,
Nor harvest-home, nor Christmas mummers rare,
The tired mechanic at his lecture sighs,
And of the learned, which, with all his lore,
Has leisure to be wise?

But though we may hope to see the time when 'merry England' will better deserve that name than it does now, yet the evils of life will still continue. They will trouble us *then*, but they will trouble us less and less. We see pain and death everywhere. All animated Nature suffers and dies. Life begins and ends in pain. Then pain has a great work to do. Then there is a vast good before us, to outweigh and annihilate it. We do not ask to be exempted from the common lot. In this, as in all things, we wish to go with our race. We pretend not to explain events, but we do see glorious issues of suffering, and these are enough. But, not by Education alone—not by attempting to make the people philosophers—will the glorious issues be brought about.

"Knowledge is power." This is a truth—glorious,—but, at the same time,—terrible. Knowledge is power—power for good, and evil. It is a power that may elevate man to the highest good. It is a power which may bring him down to the level of satanic evil.

As said by Plato, in the unaided light of his own great mind:—"Knowledge without justice ought to be called Cunning, rather than wisdom:"—a wonderful saying of that wonderful Pagan Philosopher!

Amongst the private papers of the late Sir Humphry Davy were found, after his death, the following thoughts,

in his own hand-writing, on the subject of popular education.

"I become every day more sceptical as to the use of making, or endeavoring to make, the people philosophers. Happiness is the great object of existence, and knowledge is good only so far as it promotes happiness. Few persons ever attain the Socratic degree of knowledge to know their own *entire ignorance*, and scepticism and discontent are the usual *unripe fruits* of this tree—the *only fruits* which the people can gather."

But all ought to be able to say that, they find life a gift increasing in value. Not a cup foaming and sparkling at the top, and growing vapid as we have drunk. Life is not a little cup dipped from the stream of time. It is itself a *stream;* and though at its birth it may dance and send forth cheerful murmurs, as it does not afterwards, still it is intended to flow, as it advances, through more beautiful regions, and to adorn its shores with richer verdure, and more abundant harvests. Do not say that this end is frustrated, or if it appear to be so, do not say that it is so by the Divine Will.

There are multitudes who have not found infancy and youth as happy as later years. Where it has been otherwise, it was never so intended.

Our cup runneth over. Life is truly a blessing to us.

Could we but see others as happy, what a world this would be! So it might be. So it ought to be. So it will be.

But it *is* a good world—notwithstanding the darkness hanging over it. The longer we live, the more we see the light breaking through the clouds. We are sure the sun is above them.

Man, as a *free moral being,* must be tried, must be exposed to temptation, must have a wide range of action, must be liable to much sin, and much suffering. From the essential laws of a free being, he can have no

happiness but what he wins amidst temptation. A brute may be made as happy as it can be at first. Man, God's free moral child, cannot know happiness, till, by his own striving, he has risen to goodness and sanctity. We do not see how sin and suffering can be removed, but by striking out from our nature its chief glories.

But, one of the great excellencies of moral good is, that it aids us to enjoy all other good. The most perfect man is not he who confines himself to purely moral gratifications, but he who has a moral energy, through which all things are received and enjoyed by him in a wise order, and in just proportions. Other gratifications, thus controlled, become moral.

It was well said by Dr. Johnson:—"That all who are happy are equally happy, is not true. A peasant and a philosopher may be equally satisfied, but not equally happy. Happiness consists in the multiplicity of agreeable consciousness. A peasant has not capacity for having equal happiness with a philosopher. A small drinking glass and a large one may be equally full, but a large one holds more than the small."

These few reflections are addressed particularly to the leaders of 'Temperance Societies' with great respect for their motives,—but with great distrust of their means.

That the subject is one of very great importance to social order, and the well-being of the people, all parties admit; but on this point only do they all agree. They differ as much in their mode of reasoning, as in their conclusion. Some think this a fair subject for ridicule, and amongst these are not wanting the names of eminent Divines.

It may be interesting to some readers to be reminded of what the Rev. Sydney Smith thought on this subject, and here are his own words from the Edinburgh Review of 1819:—"There has been in all governments

a great deal of absurd canting about the consumption of spirits. We believe that the best plan is to let the People drink what they like, and wear what they like; to make no sumptuary laws either for the belly or the back. In the first place laws against rum, and rum and water, are made by men who can change a wet coat for a dry one whenever they choose, and who do not often work up to their knees in mud and water; and, in the next place, if this stimulus did all the mischief it is thought to do by the wise men of claret, its cheapness and plenty would rather lessen than increase the avidity with which it is at present sought for."

Such was the opinion, on this vexed question, of one of the most eminent men of his day, for practical piety, sound reasoning, combined with unrivalled wit and wisdom. And this opinion was expressed upwards of forty years ago, before so much nonsense had been talked and written on the subject.

He shot the fiery darts of wit and ridicule where he knew that sound argument, and sober truth would be unavailing.

But he preached from the pulpit the words of truth and soberness; and his whole life was an example of unaffected piety, and Christian Charity.

He shot his fiery darts chiefly against the wickedness and folly of our Legislators.

He was right in doing so then, and he did great good.

It is right to do so now.

With many shame prevails, when argument fails.

> "Hypocrisy, the only evil that walks
> Invisible, except to God alone,"—

still walks, and ever will; but he does good service who helps to expose it.

There is much canting hypocrisy about the poor, which is best met by ridicule. Burke said:—"Nothing

can be so base and so wicked as the political canting language, "The laboring *poor*." Let compassion be shown in action, the more the better, according to every man's ability, but let there be no lamentation of their condition. It is no relief to their miserable circumstances; it is only an insult to their miserable understandings. It arises from a total want of charity, or a total want of thought. Want of one kind was never relieved by want of another kind. Patience, labor, sobriety, frugality, and religion, should be recommended to them; all the rest is downright *fraud*. It is horrible to call them "The *once happy* laborer." Whether what may be called moral or philosophical happiness of the laborious classes be increased or not, I cannot say. The seat of that species of happiness is in the mind; and there are few data to ascertain the comparative state of the mind at any two periods. Philosophical happiness is to want little. Civil or vulgar happiness is to want much, and to enjoy much. If the happiness of the animal man (which certainly goes somewhere towards the happiness of the rational man) be the object of our estimate, then I assert, without the least hesitation, that the condition of those who labor (in all descriptions of labor, and in all gradations of labor, from the highest to the lowest inclusively) is on the whole extremely meliorated, if more and better food be any standard of melioration."

We can speak of self-interest, of love of country, of attachment to friends, and relations, of the closer ties of family, and love between man and woman, of the charms of knowledge, of the influences of art, of the sympathies inspired by generous actions;—but we cannot say that these feelings are fostered, and encouraged, by our Laws.—We can speak too of a personal Being of infinite love, purity, and power, to whom we are responsible, and who, we are taught to believe, watches our

course with a tender interest, for which no names are sufficiently expressive, but those which denote the dearest earthly relationships; but we cannot say that our Laws are consistent with those sentiments. We can speak too of a life hereafter, and are taught to believe that the formation of character is of infinite importance compared with all other issues of conduct, because character is eternal, and what is done, and thought here, bears fruit of weal or wo, beyond the limits of time; but we cannot say that our Laws are made in accordance with these truths. We know that even these mighty moral forces are continually found insufficient to keep us up to our imperfect sense of duty, to make us ever regard that highest social law which says "Thou shalt love thy neighbor as thyself;" we know that no mightier forces are possible for maintaining that highest social law; and yet we make our Laws in open defiance of that just and holy principle. And what do we substitute for these mighty moral forces as a corrective to selfish passions, and short-sighted lust of present gratification? Deprivation, and neglect; cruelty, and injustice, in every form; and murderous revenge. We assume that the mighty moral forces will flourish with the same vigor, when man's faith in them is destroyed, and so we make our Laws in defiance of them, and totally disregard them. We speak of these as our strongest purifying influences — strongest to refine, strongest to free from selfishness; we admit these moral forces to be the mightiest to keep men steady; we admit the necessity of a constantly counteracting power to the notorious selfishness and sensuality against which we have to be ever on our guard; and yet we so frame our Laws as to encourage selfishness, and sensuality, and to instigate the worst instincts of our nature. We profess to elevate human life to heights of felicity and knowledge; and yet, we leave it in ignorance and

misery, and bring it down to the depths of wretchedness, and despair. Undoubtedly, the lovelier, and the richer, life grows under this system—the higher in power and dignity, the firmer in purpose, the fuller of grand results —the fiercer will rise the human passions, and the weaker will become the moral forces; and then, in the time of the greatest power and dignity, raised on the guilt, and wretchedness, of the People, will come the overthrow. Then will disappear the riches, and the loveliness of life, and then will the men and women of the favored race shrink back appalled with horror.

Therefore, let the Government of this country take warning, and not neglect the present opportunity, lest the warning, unheeded now, be remembered only when the opportunity is lost.

"You may say, "Other questions lead to some result; but this is vague and interminable. Others we can refer to practical tests; but this belongs to a region of metaphysical abstractions, of ideal perfection." And yet, all the pettiest passions which other controversies call forth are at work here. All the devices, and stratagems of party warfare are in requisition in the nineteenth century, as in the ninth. Christians here show how little love they really have for one another.

There can be no doubt that these thoughts have arisen in many hearts. It would be sad, indeed, if no others had been suggested to any of us. There must be a compensation for every evil in God's Universe. All things must work together for good to them that love Him.

Oftentimes it must have happened to us all to meet with two subjects, in each of which it is very important for us to see our way, beset with nearly equal hindrances. After making various ineffectual attempts to remove them, we are inclined to adopt the conclusion that each is a hopeless labyrinth, that it is a mere waste of time

to look for an exit out of either. Then we discover that there is a passage between them, and that the one is a clue to the other. And so it is with respect to these two great topics of human life:—How to deal fairly with the rich, and how to deal fairly with the poor.

This is the great problem, but it was solved for us by the Great Teacher, when He said:—"Thou shalt love thy neighbor as thyself."

We hear in our Churches, and we talk out of our Churches, of a coming of Christ to reign over the earth, or to judge the earth, at some distant day; but how can this be held forth to generations of men as an event for which they are to be ready, which may come suddenly upon each man, when we know that no preparations are making, that nothing is being done to get ready?

No doubt this may be explained to the satisfaction of divines, and commentators, legislators, and others, who have their own technical way of interpreting the phraseology of the Bible. But, surely, that which is addressed to the consciences of ordinary men, must commend itself to those consciences. That which calls on them to cast away the works of darkness, cannot be itself a dark oracle. That which comes as a message from the true God, cannot require any tricks, or subterfuges to explain it. If this language be not strict, what language can be? What is it sent for, but to lay bare the falsehoods, and treacheries of our hearts? Is it not urging us to put on an armor of light, in which we may appear before the Judge, and Searcher of hearts?

To parry these questions is impossible. There is a bond between the visible, and invisible world, and, sooner or later, we must all acknowledge it.

For the truth of this remark, it is only necessary to refer to history for the origin, and progress, of nearly all human laws, and institutions; and for this purpose our

laws, and institutions, relating to the poor, may serve as well as any other example.

Vagrancy, and begging, were formerly made punishable by whipping, the stocks, the pillory, imprisonment, and death. The execution of "sturdy beggars," as they were termed, increased year by year, until, in the last year of Henry the Eighth's reign, (if history is to be relied on for a fact so incredible) no fewer than 38,000 persons were put to death for this species of offence!

The same repressive system followed under the subsequent sovereigns, until the power of Queen Elizabeth having been firmly established towards the latter end of her reign, the foundation of a new and more humane system was laid. This was done by an Act passed in the 43rd year of that Queen. The operation of that Statute was found beneficial; and the lawlessness, and violence, which had not been suppressed by barbarous enactments, disappeared by degress. Gradually an entirely new code of legislation arose, as experience developed the benefits, and disadvantages of the system; and its ramifications embraced as well the support of the indigent, as the adjustment of the liabilities of the contributors.

The present system is a great improvement, but still far from perfect, nor can it ever be made perfect, until the great political evil, and chief cause of pauperism, is removed.

Here, what a vast amount of human misery, past, and present, may be traced to the sole cause,—human error! —the error of neglecting that "bond between the visible and invisible world which, sooner or later, we must all acknowledge!"

Previously to the dissolution of the monasteries by Henry VIII. the maintenance, and relief, of the poor were secured by the religious houses: their endowments being required, in most cases, by the charters of founda-

tion, and in all by the Stat. of Carlisle, (Ed. I. A.D. 1306), to be expended to the honor of God, and in support of His poor. When those institutions were suppressed, and their property distributed among the courtiers of that wicked monarch, Henry the Eighth, the helpless, and indigent, the aged, and the young, were at once deprived of all provision. All that the authorities of that time devised were severe, and stringent, measures directed against the numerous mendicants by whom the country then began to be infested. Thus, from the great error of that time came the incalculable amount of human misery, and suffering, which followed, and so long continued; until, at last, from the necessity of removing the great pressure of the evil, the wrong was righted, or alleviated, by better laws, and regulations.

But, though the relief of pauperism is now an acknowledged duty of our Government, it must be admitted that, the prevention is much more so.

Towards this end much further progress will never be made, until the laborers be left in the full, and free, possession of the wages of their labor, without any deduction therefrom by direct, or indirect, taxation on their labor, or on the necessaries, and comforts, of life which that labor ought to procure for them.

By this means, to a great extent, pauperism, and its innumerable attendant evils, may be prevented; but, by any other means this end will never be attained. As long as it is intended that the greatest part of mankind should live by their own labor, it will be essential for the peace, and comfort, and happiness, of all, that this principle should be fully acknowledged, and carried out. All other attempts must end in disappointment, if not in aggravation of the evils.

All attempts to keep off the evils by Education, or Moral Training, through Schools, or Reformatories, are only vain delusions, and idle mockeries.

Notwithstanding all these, the Work-houses of the Parish Unions, and the public Prisons, will be continually enlarging, and extending, and will always be filled.

They will always help to fill each other, for the cause which fills them both will always be in operation, and always enlarging, and extending, and that cause is—pauperism.

And it is thus that those who are answerable for the wrong which they have not righted, will be made to suffer with their victims.

And this they are beginning to see.

There is now, in the higher classes, a sort of mania about the education of the poor.

But what is the benefit of education where the first principles inculcated by nature are neglected?

It is here that "Social Science" so much paraded in our day, should commence. To make Christians, and Moralists, we must first give them the means of decent subsistence. Without this all philosophy is but an impracticable theory, a vain delusion.

It is in vain that we boast of our wealth, unless we place some barrier to the extent of our pauperism.

It is in vain that we parade our moral theories of education and improvement of the people, unless we acknowledge, by our acts, the first principles of truth, and justice.

It is in vain to attempt to lift the lower classes out of their degradation, unless their wrongs be righted.

The poorer classes, notwithstanding they are the most degraded, pay the highest amount of rent for their wretched accommodation, and also the highest prices for all their miserable means of subsistence.

It is this notorious, and disgraceful, fact which is so disreputable to the wealthy classes, and which stamps the national stigma upon the British name, of injustice, and cruel wrong, to all the working classes of the British

People; and it does seem as if modern Socialism has spread because of the silence of all but Socialists concerning the remedy.

It was mainly this notorious, and disgraceful, fact which, 200 years ago, drove the Representatives of the People to carry their "Grand Remonstrance" to the foot of the Throne; and, ultimately, involved this country in the horrors of a civil war, and brought the head of our traitor King to the block. No one was more eager against that Remonstrance, or fought every stage of it with more impassioned resistance, than Sir John Culpeper; yet it was he who, at the meeting of the Long Parliament had spoken that memorable speech against monopolies, and projectors, which now, 200 years later, is no less applicable to the universality of British Taxation.

Here are the words, copied from the record of those days:—

"It is a nest of wasps, or swarm of vermin, which have overrun the land—I mean the monopolers, and polers of the people. Like the frogs of Egypt, they have gotten the possession of our dwellings, and we have scarce a room free from them. They sup in our cup, they dip in our dish, they sit by our fire. We find them in the dye-fat, the wash-bowl, and the powdering tub. They share with the butter in his box. They have marked, and sealed us, from head to foot. Mr. Speaker, they will not bate us a pin. We may not buy our own clothes without their brokage."

To illustrate the operation of some of these monopolies, a striking passage may also be taken from a speech of the Patriot Pym, in which he undertook to show that the gain of the King was wonderfully disproportioned to the loss of the subject. And here it is:—

"In France, not long since, upon a survey of the King's revenue, it was found that two parts in three never

came to the King's purse, but were diverted to the profit of the officers, and ministers, of the Crown; and it was thought a very good service, and reformation, to reduce two parts to the King, leaving still a third part to the instruments that were employed about getting it in. It may well be doubted if the King have the like, or worse success in England. For instance, he hath reserved upon the monopoly of wines thirty thousand pounds' rent a year; the vintner pays 40*s*. a tun, which comes to ninety thousand pounds; the price upon the subject by retail is increased two pence a quart, which comes to eight pounds a tun, and for forty-five thousand tuns brought in yearly, amounts to three hundred and sixty thousand pounds; which is three hundred and thirty thousand pounds loss to the kingdom, above the king's rent!"

This was the commentary of the Patriot Pym on indirect taxation 200 years ago: what a commentary it is on our system of the present day!

SAVINGS BANKS, BENEFIT CLUBS, FRIENDLY, AND LOAN, SOCIETIES.

As some remarks, in the foregoing pages, may be thought, by many, to be too disparaging of Savings Banks,—Benefit Clubs, and Friendly Societies, these few further remarks, on the same subject, are made to correct any such impression.

In a recently published Blue Book Report, by Mr. Tidd Pratt, on Friendly Societies, are to be found some very significant facts.

It appears that the total number of these Societies enrolled and certified since the passing of the first Friendly Society Act, in 1793, to the 31st December 1858,—is 28,550, of which 6,850 have ceased to exist;—that, in the year 1858, Notices of Dissolution have been

ceived from 58 Societies, and from many more since at date. The causes of this extensive decay are de-rving of notice, and are thus described in the Report:—

"The *causes* of Dissolution arise generally from the aims made on the funds by pensioners—the insuf-iency of contributions to meet the payments, particu-rly those relating to superannuation, there being no inciple of regulating the contributions according to e ages of the members, the same amount being paid most instances for each member irrespective of age -the granting sick pay during life—that *no account the fund kept for each benefit is distinctly kept,*—that *e funds are not invested* pursuant to the provisions of e Friendly Society Act, but are deposited at interest the hands of Bankers, Brewers, Publicans, Loan ocieties, Benefit Building Societies, and upon secu-ties by which *considerable loss* is very often sustained the money is attempted to be called in, not to men-on, in many instances, the *insolvency of the party to hom the money has been lent*—and that no regular idit or examination of the assets and liabilities of the ciety is made."

Taking the number of these Societies, now existing, be 20,000, and, probably, they still number 21,000 upwards, it may be assumed that, with these causes decay, they will in every year rapidly diminish in mber.

All of these Societies, without a single exception, rest on a false foundation, and most of them are fraudu-itly conducted.

This statement is not made without regret; nor would have been made at all, but with a view to point out nething much better, for the benefit of the classes whom these mis-called "Friendly Societies" are sup-ted.

But, to proceed with some of the remarkable facts

which this Report brings to light, some of which have been hereinbefore adverted to.

It appears, from a statement in this Report, that the number of persons entitled to Dividends on the Public Debt, payable at the Bank of England, in the year ending July, 1859, was 269,328; and that there were 1,383,358 depositors in Savings Banks, on the 20th November, 1858; so that the latter class was more than five times as great as the former.

In the Savings Banks, 658,506 depositors invested sums under £10; and 200,525 averaged only £66 each; and the number whose investments exceeded £200, was 1,499.

The number of persons entitled to dividends on the Public Debt at the Bank of England, in July, 1859, as classified in this Report; was 269,330; as before given on page 309.

If the mean average of such amounts of Dividends be taken for each class, and the average rate of interest at 3 per cent. per annum, the Capital represented by each class will be as under:

Persons.	Average Dividend of each.	Total Capital represented.	Average capital for each person.
	£	£	£
94,301	10	28,573,202	333
44,917	15	22,458,500	500
86,943	60	173,816,000	2,000
22,663	150	113,315,000	5,000
12,712	300	127,120,000	10,000
3,663	500	61,047,558	16.666
2,378	800	63,411,748	26,666
1,774	1,500	58,700,000	50,000
376	3,000	37,600,000	100,000
269,127		£686,112,009	£2,549

Now, as the whole of the Funded Debt of Great Britain in 1858–9 (exclusive of £43,114,876 for Ireland,) is given at £43,686,278, and £686,112,009 was

represented by 269,127 persons, the sum of £57,574,269 was represented by 201 persons; being an average of about £286,439 each, while the average capital represented by 269,127 persons was about £2,549 each.

Thus, it appears that the total amount of the Debt of Great Britain is held by less than *one hundredth* part of the entire population of the United Kingdom, taking it at that time, at 28,000,000. It may now be taken at 30,000,000.

These calculations can be accepted only as an approximation to the actual proportions of each class; but, nevertheless, they show that, the Capital of the Public Debt of this Country, enormous as it is, yet is represented by a comparatively insignificant proportion of the whole population.

Now, to apply these figures, and calculations to the present object, which is, to show the friendless condition of those who are driven for protection to these "Friendly Societies."

Take the number of persons entitled to Dividends on the Public Debt at the Bank of England, in July, 1859, not exceeding £10 per annum,—94,301 persons; the number of depositors in the Savings Banks, under £10, —558,506. These are taken as being the lowest denomination given.

By the annual returns made to the Commissioners for the Reduction of the National Debt, by the Trustees of Savings Banks, it appears that the sums deposited, including interest, up to 20th November, 1858,

Amounted to	£33,921,881
Charitable Institutions	729,457
Friendly Societies	1,562,784
	£36,214,122

Besides these, there were 571 Friendly Societies whose funds were deposited direct with the Commis-

sioners, amounting to £1,980,682, making the total deposits, £38,194,804.

The number of depositors in these Savings Banks, in sums not exceeding £1, was 200,485; and not exceeding £5, was 276,345 persons.

It appears from the official returns that £79,311,563 have been received from the Trustees of Savings Banks and Friendly Societies, since they were first established; —that £49,939,473 have been repaid to the Trustees, in the shape of principal and interest, during that period; and that £38,372,090 remained due from the Government, on account of those Institutions, to the Trustees, besides an uninvested balance of £629,463. 3*s*. 6*d*. belonging to Savings Banks, and £24,121. 15*s*. 10*d*. belonging to Friendly Societies, making an uninvested balance of £653,584. 19*s*. 4*d*.

The amount thus due to the Trustees of Savings Banks, and Friendly Societies, is invested, from time to time, by the Commissioners for the Reduction of the National Debt, in various Government Securities, the value of which is estimated at the market price, on the 20th November in each year.

The funds belonging to these Institutions form the means for *speculation*, as well as *investment*, to the Government of the day,—a practice which it is not the present purpose to comment on.

In comparing the market value of the Securities held by the Commissioners for the Reduction of the National Debt, with their liabilities to the Trustees of Savings Banks, it appears that, they were *deficient* by the sum of £3,099,714. 0*s*. 5*d*., on the 20th November, 1858, while, on the same date, in 1857, they were *deficient* £5,186,113. 2*s*. 8*d*. These deficiences may be accounted for by the practice of valuing the securities on a given date, which may be higher or lower according to circumstances.

It also appears that the interest and dividends due to the Commissioners on Securities held by them on the 20th November, 1858, were less by £2,845,967. 14*s*. 8*d*., than the aggregate interest paid to Trustees of Savings Banks, and £440,557. 13*s*. 4*d*. less than the interest paid to Friendly Societies, making the total interest due to the Commissioners, £3,286,525. 8*s*. 0*d*. less than the amount paid to these Institutions; but there was due on £7,600,000 Exchequer Bills, funded in 1859, interest amounting to £76,112. 9*s*. 2*d*.

The speculative part of this department of Government, and the practice of funding Exchequer Bills bought by the deposits of the Savings Banks, appear to be proper subjects for the consideration of the House of Commons; and if the House should be able to satisfy itself and the country, that funding these Bills does not increase the National Debt,—then, there is nothing further to be said against this practice.

Whilst on the subject of these "Friendly" and "Benefit" Societies, it may be well shortly to notice another sort, also sanctioned by the Legislature, for the *benefit* of the people, called "Loan Societies."

The benefits conferred by some of these Societies are so peculiar, and have been so vividly presented by Mr. Kerr, the Judge of the Sheriffs' Court, that the following, from the *Observer* of 12th June, 1859, may be worth transcribing.

"LOAN SOCIETIES AND THEIR PER CENTAGES."

"Yesterday, at the City Sheriffs' Court, the newly elected Judge, Mr. Kerr, was engaged nearly the whole sitting in adjudicating on actions on promissory notes held by the Loan Societies. In each case the Judge created much sensation amongst the suitors by a calculation of the per centage which these Loan Societies

charged, irrespective of their inquiry fees, fines, etc. In the first case, on a balance of a promissory note payable in fourteen days, the Judge said the interest charged was 400 per cent. In another case he calculated it to be 500 per cent. In a third, he said the interest charged was 3,650 per cent.; and in a fourth, to the astonishment of all the Court, the plaintiff included, that 7,300 per cent. was the very moderate rate of interest charged. In some of the cases he dismissed the summonses, and in others, although making orders for payment, he would allow no costs, remarking that it was high time for the Legislature, or some authority, to step in, and put a stop to these shameful exactions from the poorer classes. In all such cases he should refuse to commit, as he considered the enormous interest charged as a kind of insurance against loss.

Assuming Judge Kerr's calculations to be correctly made, and taking the promissory notes for £10, the per centages would stand thus:—

Sum Borrowed.	Per centage Paid.	Sum Payable.
£	£	£
10	400	40
10	500	50
10	3,650	365
10	7,300	730

Well might the Court be "astonished" at these exorbitant exactions, and well might the Judge say, "it was high time for the Legislature, or some authority, to step in, and put a stop to these shameful exactions from the poorer classes."

The Legislature has already given to these Societies a kind of Imperial sanction, under the 3 & 4 Vict. cap. 110, and Mr. Tidd Pratt has been appointed to "certify" to their rules.

But what of this? with this result!

The latest published returns do not furnish the aggre-

gate number of these Loan Societies, but they exist in *twenty-five* counties in England and Wales, and many of them are distinguished by very philanthropic titles, such as the "Poor Man's Refuge"—"Brotherly Love"—"Poor Man's Friendly"—"Good Intent Friendly"—with a variety of other titles equally fascinating, attractive, and delusive.

There are no means of knowing how many of these Societies are held at Public-houses, but out of 35 registered in Middlesex, 22 are held at Public-houses.

The Parliamentary returns are to 31st December, 1857, under seventeen different heads, which give a good deal of curious information. For instance, the number of applications in 1857, was 154,606; but loans were granted to only 121,810, so that the refusals were 32,796.

Many of these Societies, according to their papers, profess to lend various sums of money "*free from all deductions;*" yet the sum of two-pence is charged for each paper containing instructions, in which, as a matter of course, "all communications are strictly confidential." In the official return, the amount paid for forms of application and inquiry is given at £8,301; so that the sale of these papers is no insignificant feature in the trading of these Societies.

The amount paid as interest by the borrowers, or their sureties, in 1857, was £29,047. 14*s.* 7*d.* upon £144,359. 19*s.*, or, about 20 per cent. on the shareholders' capital. But the gross profits are given at £36,415. 11*s.* 8*d.*, or, at the rate of 25 per cent. per annum. The actual interest, however, paid to the depositors, in 1857, was £19,516, or, about 14 per cent.

The item for management appears to be a very formidable one, for it amounts to about half the interest paid by depositors, or, £15,095.

And, now, for the results of these Societies upon the borrowers.

These are sufficiently shown in the 13,467 Summonses, and 725 Distress Warrants, issued in 1857.

If this be the best protection which the Legislature can extend to this class of the People, the sooner they are left alone the better for them.

PRACTICAL REMARKS.

In all these Trades Unions, Friendly Societies, and other Associations for the benefit of the Working-Classes, there is something more significant than even the dark facts here disclosed;—something which tells strongly against the existing state of things—which tells of the fears of all these classes for their *future;*—which tells that, with all their industry, and care, and prudence, their savings will be quite insufficient for themselves and families in the days of sickness, slack-work, no-work, or other misfortune, and that possible misfortune of living to old age and helplessness, with the choice of a prison, or a workhouse, for their refuge!

Who can say that these fears for the future are groundless? Who can say that there is, for the respectable married couple, who have brought up a respectable family of four or five children, any better prospect than this before them for their old age?

But they came into the world poor.

Why complain that they leave it poor?

They do not complain that they are poor, but that they are unfairly treated.

They were born to work for their bread, and they have done so. They have done more. They have enriched their country by their labor, and they have been inadequately and unfairly remunerated. Their country

has taken away from them, in taxes, above one-third of the wages of their labor, without any remuneration.

This is what they complain of.

It is true, their country provides for them when they are *worked-out*,—provides for them prison-fare,—but they complain that this provision is on terms which makes long life (so great a prize to others,) not to be desired by them.

What can they do—with all their *betters* against them—but form themselves into close brotherhoods for their mutual benefit?

The Legislature sanctions these imperfect attempts for their self-protection, but lends them no effectual help.

Here is a specimen of Legislative Protection to the Poor!

Legalized Associations of Wolves, for the Protection of Sheep!

The Legislature gives itself a great deal of unnecessary trouble, all of which might be saved by less intermeddling, with more honesty and common sense.

If the People were left more alone, and were allowed to have their own, there would be a better chance of their learning how to hold their own, and how to manage their own more to the advantage of themselves and others.

If the Legislature would leave the Laborers in full possession of their wages, they would want no help from others, but would be well able to help themselves. They want no more than their fair share in the common lot. The common interest would be their interest.

On what ground of policy, or common sense, (to say nothing of honesty), does the Legislature diminish the Laborers' wages by taxation?

On what ground does the Legislature prevent the Working Classes from investing their savings in Established Trade Concerns?

On what principle is this intermeddling with private affairs?

Why should not contributors to Private Partnerships or Public Companies participate in their profits, without participating in their liabilities?

What has the Legislature to do with such private arrangements as these between competent and willing parties?

By withdrawing from all intermeddling in this single instance, what a sweeping away would there be of all these swindling Societies, and cheating Companies, most of which are little better than Associations of Sharpers!

What a true benefit would be this single act of freedom to all classes, and especially to the working classes, and what an encouragement to industry and thrift!

What substitutes would then be found for Savings Banks, Benefit Clubs, Loan, and other such Friendly Societies!

What an increase to the *productive* Capital of the Country, and what an additional bond of union among all classes—of real union, instead of the false and delusive pretence under the name of Trade Union!

It is not by interference, but by withdrawing interference, that this great service is to be rendered by the Legislature, and to that end the intelligence of the country is now tending. In a very short time this further concession to common sense must be made.

Lord Brougham, in his Address to the Social Science Meeting at Bradford, October, 1859, is thus reported:—

"It was well said by Mr. Erskine Clarke, in his very useful paper at the Congress of 1857, that 'the great problem of social economy is, how to help the working people *to keep themselves with their own money*, in other words, to teach them provident habits.'"

Now, with all deference to Lord Brougham and Mr.

Erskine Clarke, the *first* great problem is, how to help the working people *to keep their own money for themselves*. There is every reason to hope that they will then be able *to keep themselves with their own money*, seeing how many of them manage now to keep themselves and their families, and even to bring them up respectably, on 10*s*. or 12*s*. a week. Let those who would be teachers of provident habits first try to do this for themselves.

Where the Legislature might have helped the People, what has it ever done for them?

The condition of the lower classes in this country has, by long neglect of mental improvement, by the natural pressure of population on the means of subsistence, by the consequent decrease in the rate of wages, and by the heavy taxes on all the necessaries and comforts of life, sunk so low that, to large masses of the people in cities, towns, and country, the term 'social condition,' can hardly be applied with more propriety than to brute animals. But the education of the poor is still talked of;—the improvement of their condition is talked of—but nothing is done. And what should be done for a people already degraded and destitute? What can be expected from teaching, or preaching to people destitute of necessary food and clothing,—who are congregated in masses of human misery and vice, breathing an atmosphere of the foulest impurity, or dotted about like isolated human beings, separated by their very misery and destitution from their more fortunate fellow-creatures, who avoid them as outcasts, or like heaven-stricken lepers of old, whose near approach was contamination?

It is not by ragged schools, or penny tracts, that the poor are to be lifted up into anything like a social position! These are good aids to a good system; but a good working system can never be established whilst two-thirds of the revenue are raised by taxes on the

necessaries and comforts of life, which must always press with the greatest severity upon the poor and working classes. Religious tracts and moral tales, however plentifully distributed among the poor, will avail little or nothing for their improvement morally or intellectually, as long as there is no fire to make the pot boil, and nothing to put into the pot when it does boil.

As Sydney Smith said, many years ago, in his own incomparable style of banter:—"The moral story for the poor generally is, that a laborer with six children has nothing to live upon but mouldy bread and dirty water; yet nothing can exceed his cheerfulness and content—no murmurs, no discontent;—of mutton he has scarcely heard—of bacon he never dreams:—farinaceous bread, and the water of the pool, constitute his food, establish his felicity, and excite his warmest gratitude:—the Squire, or Parson of the parish, always happens to be walking by, and overhears him praying for the King, and the members of the County, and for all in authority; and it generally ends with their offering him a shilling, which this excellent man declares he does not want, and will not accept. These are the tracts which Goodies and Noodles are dispersing with unwearied diligence. It would be a great blessing if some genius would arise who had a talent of writing for the poor."

The whole of Nature is the revelation of an Infinite Rational Will, and if man were guided by it, as an eternal guiding star, his chief task would be to make laws for human government in perfect harmony therewith. The rights of the poor would then be seen to be precisely the same as those of the rich, and would be so regarded accordingly, for it would then be clearly seen that neglect or injury of the one, would be equally neglect or injury of the other.

It would then be seen that, all were born into this

world with the same inherent natural rights, and that it is equally for the well-being of all that these rights should be respected, until forfeited by being exercised in a manner inconsistent with social order, that is, contrary to the revelation of an Infinite Rational Will.

It would then be seen that the best way of protecting the rights of property, which are artificial, or conventional, would be by extending the same protection to the inherent or natural rights of every human being.

It would then be seen with more Christian feeling that, in humility is the truest evidence of strength, and in obedience the great source of command.

It is the same of Governments, as of Individuals. Governments would see that, their best security was in the well-being of the governed;—that if Property had its rights, so also it had its duties;—and that they would best preserve the one, by enforcing the due performance of the other. They would see that it is as essential for social order, and the well-being of the People, to protect the poor in the enjoyment of their inherent, or natural, rights, as it is to protect the rich in the enjoyment of their artificial, or acquired, rights of property. They would see that it is a violation of the first principle of justice and policy, to impose taxes on food and raiment, or any other product of industry; and that justice and policy equally require that the necessities of the State should be provided for out of acquired property, and not out of the daily toil which is producing that property. They would see that, by reversing this just and moral rule, by taxing the daily labourer in his food and raiment, they are committing the grossest injustice—that they are introducing elements of discord and disruption, the tendency of which must be, to disturb and break up social order, by letting fraud and violence, in all their various forms of perjury and theft,—adulterations and poisonings,—smug-

gling and murder;—all tending to demoralization and disturbance, to the guilt and wretchedness of many, and the certain injury of all.

They would learn that the power of kings and rulers can no more be misused with impunity, than could these powers be resisted with impunity when lawfully and righteously exercised; and they would learn this solemn truth,—that right must prevail in the end, though thrones be overthrown, and governments be broken up, and nations be destroyed, and people be scattered.

They would learn that the strength of a nation is in the People; that the strength of the government, is in the well-being of the whole People; and that the strength of the People is in their subjection to the Divine Will; in short, that, "*The welfare of the People is the highest law;*"—and that, to promote this is the best and greatest work that man can do,—the highest to which he can attain—and that, "*Nothing is truly sublime but moral greatness.*"

Everything which has a tendency to produce indifference to, or contempt for, this great maxim, tends to lower the general tone of the public mind, or to pervert the moral sense of society; nor can limits be assigned to the social deterioration which may be the consequence of a continued disregard of those elements of our nature, by which alone it can claim any kindred with the Divine. If kings and governments had more fully recognised and acknowledged the Divine Spirit, how much greater and more powerful would have been their rule on earth!—how much happier, wiser, and better, would have been the whole human race! If only Justice and Humanity had been more regarded, by more attention to the comforts and welfare of the People, how much greater would have been the portion of happiness to all, even in this present life of toil and trial! If instead of such costly preparations for their

improvement and benefit, in building gaols, reformatories, and work-houses, they had been left to enjoy the fruits of their own labor, and to participate a little more in the mental acquirements of those whose lot had been cast in more easy circumstances, how much misery and guilt might have been spared!—how many suffering and lost lives,—perhaps souls,—might have been saved!

To bring these principles to a practical test, take a survey of the human governments throughout the world, and then examine the actual results.

In what part of the world have these principles ever yet been carried out in practice?

Where are the results, and what are they?

Mankind are literally suffering and groaning under the laws and inventions substituted by human despotism.

In the place of Justice and Mercy, we see everywhere Injustice and Cruelty. In this country, perhaps, more than in any other, may be seen some approach to these principles, which all acknowledge, but none follow, because none have any reliance on them.

Human selfishness and injustice is the rule.

Human misery and vice are the result.

Wherever freedom and justice have been even partially tried, the result has always been, comparative prosperity and happiness; prosperity to the country, and happiness to the people.

Take the instance given by the Liverpool Financial Reformers, in one of their early Tracts, of that remote and barbarous village, which, less than 40 years ago, consisted of a few scattered huts on the water-side, inhabited by half-fishermen and whole pirates, and is now the flourishing free Port of Singapore, enjoying a trade of upwards of ten millions sterling annually, and contributing largely to the Indian revenue.

Such was the description given about ten years ago

of this Settlement, founded in 1819, by Sir Stamford Raffles.

Here is the latest description, given by Dr. Karl Scherzer, in his "Narrative of the Circumnavigation of the Globe, by the Austrian Frigate, *Novara*, in the years 1857, 1858, and 1859." Vol. II :—

"Singapore, from its singularly favorable geographical position and the liberality of its political institutions, has made such a stride as is entirely without parallel in the history of the world's trade. From a desolate haunt of piratical foes the island has been converted into a flourishing emporium.

About 1,000 foreign vessels, and fully 3,000 Malay prahas and Chinese junks flit backwards and forwards annually with all sorts of merchandise and produce, while the value of the other goods annually exchanged here amounts to about £11,000,000. Such is the change that has come over the old unhealthy, ill-omened Malay pirate abode,—thanks to a clearly-defined policy. If a doubt should still obtrude itself as to these brilliant results of the utmost freedom and absence of restriction upon trade, it must give way before the spectacle presented to the view of the astonished beholder in the harbor of Singapore, the Alexandria of the nineteenth century."

Such a description as this, from an Austrian Government official, has some claim to credit, and comes with additional force.

As the Liverpool Reformers ask:—"What is the secret of this wonderful metamorphosis? Simply the fact, that at Singapore there are no import or export duties,—no taxes upon shipping. Who can calculate the immense development of the national resources which would certainly be produced, if the same sound principles were extended to British industry, commerce, and manufactures? Nobody can make such a calcula-

tion beforehand; but everybody who thinks, must see that the demonstration can be brought about only by means of Direct Taxation."

Then, again, take the instances given in the 'Edinburgh Review' for April, 1859, in the Article—"The West Indies as they were and are;"—instances all the more forcible, being, as such, altogether unintentional.

"MONTSERRAT."—After referring to 'the improved and improving state of the community, as allowed on all hands,'—and giving various details, the Governor says, (in 1853,) 'so much for the increase of confidence, enterprise, and industry, in Montserrat.' . . . . . .

'No island in these seas exhibits more decisive tendency to social and moral regeneration and improvement. The rural population are quiet, contented, and orderly. Their condition one of great comfort. . . . .

A new system of taxation, (as we understand throwing it off imports upon real property,) came into operation in June, 1856, and with such striking and powerful effect, that the imports more than doubled in value in the course of the year!'

"NEVIS."— . . . . "The case of this island is peculiarly interesting, because in it an experiment has been tried in taxation, which may, perhaps, some day become generally adopted throughout the world. . . . . Things in Nevis had got to such a desperate state—they were, in fact, past all bearing,—that at last, Mr. President Seymour, a gentleman of remarkable boldness and vigor, induced the legislators to consent to a radical change in the fiscal system. The import duties were totally abolished, and a tax of 20 per cent. placed on rentals. . . . . Small as the field was in which this experiment was tried, its astonishing results are worth noticing by Statesmen.

The new system came into play March, 1856. In that year the imports rose from £19,728 to £34,449.

New shops were speedily opened,—house rent rose threefold. The sound of the hammer was heard, and the smell of fresh paint experienced, where all had been crumbling decay. The roads appear as if the greater part of the population had new clothed themselves, and in the harbor, so often deserted, I now count ten ships of considerable burden."

These are remarkable instances, and the more remarkable for the "undesigned coincidence" with the experiment recommended in "The People's Blue Book."

If the British Isles be not less favorably situated than the West India Islands are, or than the Island of Singapore is, for industry, commerce, and manufactures, these experiments are worth repeating.

It is not easy,—perhaps, not possible,—to foresee all the results of such an experiment if fully and fairly carried out in this country.

But why should the result be less satisfactory in the British Isles, than in those remote Isles? If the principle be sound, why should it be less applicable to this great and highly civilized country, than to those small, remote, and less civilized countries in the far East and West.

That great changes would be a necessary consequence of the adoption of the principle in such a country as this, in the overthrow of ancient institutions, and the diversion of long established habits into other channels, is quite certain; and that many unforeseen changes would ensue, is more than probable

It may be admitted that it would be a great Political and Social revolution in this country, which would be gradually extended over the whole civilized world.

But if the principle be sound in truth and justice, how can the results be other than beneficial to the whole human race?

And what is this principle,—but that the laborer shall

not be taxed in his own labor? That the working classes, who are without property, shall be free from all taxes on property; and that property, whilst directly employed n the production of property, shall go untaxed. That property shall pay equally, and that persons shall pay qually, for the protection derived from the Laws of the and.

The laborers of all classes would then be in the full id free possession of the wages of their labor, bodily id mental.

The Wages of labor, and the profits of trade, would free from all taxation.

Why not?

Who would be injured by the common laborer, and skilled laborer, (which includes the artist and the fessional laborer), being set free from all taxes on his perty?

s he not serving the State far more untaxed, than d?

the property of the rich man taxed because he is ? No.

ie property of the poor man is taxed precisely at the rate.

the rich man's life valued higher than the poor s? No.

e rich man's life, and the poor man's life are valued same, and are taxed at the same.

only difference would be that, the rich man, if he may bid higher for, and have a little more of, one privilege, than the poor man would have.

Wealth of the Nation would have its full weight Council of the State.

so it ought to do.

what would then be the power of a united

power of the greatest number, still representing

the greatest wealth, would preponderate in the Council of the State.

And so it ought to do.

Assuming, as before, the Agricultural population to consist of 5,000,000 families, and the annual saving of each family to be only £2—this would give an aggregate annual saving, by the Agricultural population alone, of £10,000,000. And as before, taking the Population to consist of 7,500,000 families, and the annual saving of each family, on an aggregate of the whole, to be only £5, this would give an aggregate annual saving of £37,500,000.

How would this immense annual sum, in addition to the many millions sterling set free by the abolition of Customs and Excise Duties, be invested?

Certainly not in Trades Unions, Benefit Clubs, Loan and other such Friendly Societies, and, probably, but a very small portion of it would find its way into the Public Debt. It would most probably find better investment in Land and Houses, and in Trade Concerns. The foolish laws now affecting Partnerships, and involving liability with participation in profits, would then be repealed, and the savings from the wages of the artizans, and other skilled workmen, would then be entrusted by them to their masters, or others engaged in trade, on a certain share in the profits; or the workmen themselves would set up their own Establishments, and conduct them in their own way, for their own benefit.

These accumulated Savings would form an immense addition to the active capital of the Country, and it is impossible to imagine anything better calculated than this would be, for binding and holding together master and servant in one common interest, for their mutual benefit, and the Nation's good.

The workmen would have an immediate and direct interest in their masters' prosperity, their own being in-

imately connected with it, and this would be the best
vorldly security for their industrious and provident ha-
its.

The masters would be held in wholesome check by the
ability of being called upon, at any time, to refund the
pital of their workmen; for which the law should give
sure and speedy remedy.

With this mutuality of interest between employers
d employed, and all the pre-existent and ever con-
uous claims of labor in full operation, and in fuller
ce than ever, it is difficult to imagine the recurrence
those weak and foolish collisions between masters
l workmen, called "STRIKES." The bond of mutual
rest which ought to hold them together would be
ngthened, and the increased stake of the working
ses in the country would, at least, be calculated to
them an increased interest in its security and wel-

n no other ground than this can it be pretended that,
Government and the Legislature are justified in the
e which has been pursued for so many years, with
d to Savings Banks. Not that Savings Banks have
een productive of benefit to the People, but that
are founded on a false principle, and grafted on a
system.

case of the Savings Banks has been selected for
l notice, because it may be likened to one of the
nhealthy of all the branches from the old and can-
tree.

nature, under these circumstances, we often see
is efforts; but these are only the signs of rapid
and that the canker is at the heart. To tempo-
der these circumstances is a fatal mistake. It
part of prudent foresight to plant the new tree,
vet the old one lives.

THE NATIONAL DEBT.

A treatise on taxation may very properly terminate with a few remarks on our National Debt, as it is now called, in courtesy to Royalty, being formerly called,—'The King's Debt.'

There is a great deal of misunderstanding about our National Debt.

The capital of the National Debt, although nominally large, has no real existence. It is, in fact, except as a *measure* of annuities, a mere fiction; and, if it were more correctly viewed, it would cease to create the uneasiness which is so frequently expressed about its amount.

It is a great mistake to suppose that the National Debt is a great burden on the resources of this country.

It is another common error to attribute the deprivation and suffering in this country to the great weight of taxation under which it labors. That the Public Debt and Taxation are great evils, cannot be denied; and that these are the consequences of the extravagance and mismanagement of former Governments, must be admitted.

But though it be impossible to doubt that, a high rate of taxation has operated as a clog on the progress of this country, yet it is demonstrable that, taxes, the product of which is circulated in the country from which they are raised, can never seriously injure a country directly by the mere amount, but either from the time or circumstances under which they are raised; or, from the injudicious manner in which they are levied; or, from the improper objects to which they are applied.

If the sum received in dividends on the National Debt were paid in taxes, and if these two sums precisely coincided in amount, and if there were no expenses

of collection, and *if the taxes did not interfere with the production of wealth,* the National Debt would not diminish the National Wealth, though it could not augment it.

It would be a mere matter of distribution.

But the expense of collecting the national revenue, and the interference of taxation with production, are so much pure loss, and by the removal of these two sources of expense and loss, we should be richer if we were relieved of the National Debt.

To relieve ourselves of the National Debt may not be conveniently within our power, but to relieve ourselves of the worst consequences of it is easily within our power.

But, still the fact remains that, the National Debt,—now, in round numbers, about 800 millions, is a mortgage laid upon Taxes; and this is a great evil, as also a great breach of the much boasted, but much violated, English Constitution; for it is the great privilege of each House of Commons in turn to enact taxes at pleasure, and no existing House has any right to engage that taxes shall be voted by its successor.

Our National Debt is, therefore, a National Evil, and has been fixed on us and posterity by unconstitutional means; but this evil, great as it is, is often exaggerated in its evil effects, and made to appear to be a greater evil than it really is.

The following illustration by the Poet and Philosopher, Coleridge, has some truth in it, though it is more poetically beautiful, than philosophically correct:—"The sun may draw up the moisture from the river, the morass, and the ocean, to be given back in genial showers to the garden, the pasture, and the corn-field; but it may, likewise, force upwards the moisture from the fields of industry, to drop it on the stagnant pool, the saturated swamp, or the unprofitable sand-waste."—And, he

adds,—the corruptions of a system can be duly appreciated by those only who have contemplated the system in that ideal state of perfection exhibited by the reason, —the nearest possible approximation to which, under existing circumstances, it is the business of prudential understandings to realise.

In "the merrie days" (whenever those were) there was no National Debt to be provided for. No Customs and Excise duties were filched out of the people's food and clothing. No war taxes were wrung from the people's wages. There was plenty of tyranny then, but there was not the tyranny of taxation. There were wars then, but the King of England, who waged the war, paid for it out of his own pocket, with the aid of voluntary contributions from such of his subjects as possessed the means as well as the will.

The present practice of making the people pay for the wars, appears to have come in with King William the Third, and then England began to be more frequently engaged in wars, and in wars of longer continuance than before. To that change in the practice, the British Nation owes its present Debt. But few, perhaps, have any definite notion of the extent to which this country stands indebted to her wars.

The following Tables, No. 1 and No. 2, have been prepared from the most authentic documents for the purpose of showing this:—

TABLE No. 1. SHOWING THE INCREASE OF THE NATIONAL DEBT FROM WARS.

Years.	War and Peace.	National Debt.	Interest.
		£	£
1691	War with France . . .	3,130,000	232,000
1697	Peace of Ryswick . . .	14,522,925	1,322,519
1702	War of the Spanish Succession .	12,522,480	1,215,324
1713	Peace of Utrecht . . .	34,699,847	3,004,287
1718	War with Spain . . .	40,379,684	2,965,889
1721	Peace	54,405,108	2,855,380
1739	War of Right of Search with Spain	46,613,883	2,030,884
1742	War of the Austrian Succession .	51,847,323	2,157,136
1748	Peace of Aix-la-Chapelle . .	75,812,132	3,165,765
1756	War.—The Seven Years' War .	74,575,025	2,753,566
1763	Peace	132,716,049	5,032,733
1775	War with America . . .	126,842,811	4,763,519
1783	Peace	231,843,631	9,065,585
1793	War with France.—First Revolutionary War	247,874,434	9,711,238
1802	Peace of Amiens . . .	537,653,008	20,268,551
1803	War with France—Second Revolutionary War . . .	547,732,796	20,812,962
1815	Peace	861,039,049	32,645,618
1854	War with Russia . . .	775,215,519	27,363,889
1856	Peace	808,108,722	28,550,039
1859	Peace	805,078,554	28,204,299

The column of Debt shows the increase at the end of each war, but as this does not include the extra expenditure, preparatory and subsequently to the war, it is obvious that this does not show the actual direct expenses of each war. If the whole of the *direct* expenditure consequent upon these wars could be ascertained, including the annual interest paid in respect of the debt so created, the aggregate would extend to many thousand millions sterling. But if, in addition to this, the *indirect* cost and loss to the nation could be ascertained, (which is impossible,) the aggregate would be extended to an amount quite inconceivable. It is, therefore, unnecessary to carry the calculation further, and this may be sufficient to show how unprofitable to a nation is war, unless for defence.

In looking back to the history of past wars in this list, it is impossible to say, even on the ground of national policy, that the English Nation has gained any advantage which might not have been acquired without any interference with the policy of other nations.

If this view be correct, it follows that the many thousand millions, sterling, expended by the British Nation in these wars, and all the human misery consequent thereon, might have been saved.

TABLE No. 2. SHOWING THE COST OF WAR.

Years.	Wars.	Cost.
		£
1691	War with France—6 years to the Peace of Ryswick in 1697	11,392,925
1702	War of the Spanish Succession—11 years to the Peace of Utrecht in 1713	22,147,367
1718	War with Spain—3 years to 1721 . . .	14,025,424
1739	War of Right of Search with Spain—3 years to 1742	5,233,440
1742	War of the Austrian Succession—6 years to the Peace of Aix-la-Chapelle in 1748 . . .	23,964,809
1756	War.—The seven years' War, to the Peace in 1763	58,141,024
1775	War with America—8 years to the Peace in 1783	105,001,820
1793	War with France—9 years to the Peace of Amiens in 1802	289,778,574
1803	War with France—Second Revolutionary War—12 years to the Peace in 1815 . . .	313,306,253
1854	War with Russia—2 years to the Peace in 1856	32,893,203
	Do.—further Cost of ditto	29,863,035
	Cost of Wars from 1691 to 1850—165 years .	£905,747,874

SUMMARY.

War ..... 67 years.
Peace ..... 98 „

165 years.

	£
Interest of National Debt in 1859	28,204,299
Ditto „ „ 1691	232,000
Difference.....	£27,972,299

As these figures do not include the expenses preparatory to, and consequential upon, these wars, it is obvious that the cost must very much exceed the total amount in the column above.

But taking the whole cost to be, as here stated, £905,747,874, this gives, for the last 165 years, a yearly expenditure in War, of £5,489,381.

If to this be added the total amount paid during the same period for interest on the money so raised and applied, amounting to £208,121,183, this gives for the yearly payment of interest,—£1,260,343. 10*s*. And the sum total stands thus :—

	£
Expended in Wars, from 1691 to 1856	905,747,874
„ for Interest	208,121,183
Total for the last 165 years	£1,113,869,057

	£
Expended in wars, yearly from 1691 to 1856.....	5,489,381
„ for Interest.....	1,261,340
Yearly, for the last 165 years	£6,750,721

These, as far as can be ascertained, are the actual *irect* expenses of past wars for the last 165 years, and, robably, are not half the direct expenses actually ıcurred.

If to these could be added the *indirect* costs and ›sses of Wars to the British Nation, for the same time, ıere can be little doubt that the amount would exceed ıe present estimated value of all the Real and Personal roperty of the Kingdom !

It will be seen that by far the greater part of this :penditure has been incurred within the last 80 years, ıat is, from the commencement of the American War, 1775 ; and, therefore, that the chief responsibility, in l this criminal folly, has fallen upon the last and pre-

sent generation, and remains to be borne, or got rid of, by generations yet to come.

Such is the succinct, historical account of our present National Debt; all created in 165 years, of which 67 were years of war,—leaving 98 years for peaceful meditation on its miseries.

In round numbers, A THOUSAND MILLIONS, sterling, gone in WAR, in 67 years! And for this devil-play of the past, TWENTY-EIGHT MILLIONS, sterling, to be paid every year for ever!

The following Table, furnished by Mr. Henry Lloyd Morgan, will show the fluctuations in the debt during the several reigns since its commencement:—

Years.	Amount of Debt. £
1688.—National Debt at the Revolution	664,263
Increase during the reign of William 3rd ...	12,102,962
1702.—At Accession of Anne.....	12,767,225
Increase during her reign	23,408,235
1714.—At Accession of George 1st.	36,175,450
Increase during his reign	16,348,463
1727.—At Accession of George 2nd.....	52,523,923
Increase during his reign	49,490,095
1760.—At Accession of George 3rd.....	102,014,018
Increase during his reign	732,886,942
1820.—At Accession of George 4th.....	834,900,960
Decrease during his reign	50,096,963
1830.—At Accession of William 4th.....	784,803,997
Increase during his reign	2,725,117
1837.—At Accession of Victoria	787,529,114
Increase during 22 years	17,549,440
1859.—Last date in Lord Goderich's Returns, No. 443, Session 1859	£805,078,554

"But"—as Mr. Morgan remarks—"there is a far more startling fact than even the debt itself, and it is difficult to comprehend such an overwhelming sum as upwards of two thousand millions, sterling, paid in *hard cash for interest only.*"

To make this more comprehensible, he has given the totals of the several decades, from the commencement, in the following remarkable Table:—

Years.	£
1691 to 1700—Ten Years	9,228,211
1701 to 1710— "	14,779,968
1711 to 1720— "	29,437,104
1721 to 1730— "	25,762,251
1731 to 1740— "	21,114,749
1741 to 1750— "	25,853,046
1751 to 1760— "	28,664,024
1761 to 1770— "	47,092,783
1771 to 1780— "	52,093,419
1781 to 1790— "	92,135,484
1791 to 1800— "	135,123,780
1801 to 1810— "	224,138,726
1811 to 1820— "	303,639,929
1821 to 1830— "	294,437,684
1831 to 1840— "	290,254,607
1841 to 1850— "	285,099,761
1851 to 1859—Nine Years	252,026,653
	£2,130,882,179

And, as Mr. Morgan adds;—"This is for *simple* interest *only;* yet even this gigantic sum represents only a comparatively small portion of the actual costs of war; moreover, it must be remembered that all this has been abstracted from the working capital of the country, therefore, in reality, "compound interest" should be charged to represent even the outlay for payment of the simple interest; to which must be added a much larger sum for *extra* taxation levied to carry on war."

The long reign of George III. ought to be for ever

memorable, if only for the stupendous addition then made to the National Debt. It may almost be said that the Debt was created during that reign.

It is also remarkable that, the only reign in which the Public Debt was diminished, was the reign of George IV.

M. TURGOT—AND TAXATION.

M. Turgot,—in his Fragmentary Tracts, and Essays on Direct and Indirect Taxation,—begins by enumerating three different forms of Taxation, viz.:—

Direct Taxes on Property.

Direct Taxes on Persons.

Indirect Taxes on Articles of Consumption.

After some observations about the latter, he undertakes to show that in whatever form they may be levied, they fall, eventually, on the land-owners.

He further arrives at the opinion that, between augmented expense of collection, and diminution of the value of property, the owner of the soil is, in reality, mulcted much more severely by indirect taxation, than he would be if the whole of the net revenue, thus raised, were taken directly from his property.

He then gives the following reasons for preferring *direct* to *indirect* taxation:—

1. Because the owners of property alone are holders for the service of the State.

2. Because Direct Taxation, being levied at the least expense, the owner of the soil, who, under any system, eventually pays all, saves thereby the amount of the expense of collection, and the gains of surveyors of inland revenue, managers, and farmers of taxes.

3. Because Indirect Taxation imposes a multitude of restrictions on commerce,—because it causes legal processes, frauds, and confiscations,—the loss of a great

number of men,—a war of government against its subjects,—a disproportionate penalty attached to certain acts,—a continual and almost irresistible temptation to fraud, which is, nevertheless, subjected to the most cruel penalties.

4. Because Indirect Taxation is, in many respects, an attack upon liberty.

5. Because it has a great tendency to prevent consumption, and so ruins itself.

6. Because it augments State expenses, inasmuch as the State pays both on its own account, and that of its agents.

7. Because it gives to foreign merchants an advantage in commercial competition.

8. Finally, because its effects cannot always be calculated exactly, whereas the owner of property knows the proportion which the sum he pays in taxes bears to his revenue.

* * * * *

In every indirect tax it is almost impossible to avoid prevarications. To prove cases of fraud it is necessary to give to the Commissioners the right of being believed on their verbal declarations, which is an irremediable source of vexation.

The complications of the tariff, and of the laws which are designed to prevent the evasion of the tax, render it impossible for people to resist the concomitant annoyances; for in the face of so many obscure and doubtful points, what private person would dare to risk an action against the authorised agents of government?

But although the whole weight of the taxation, in whatever form it may be levied, falls, eventually, on the owners of the property, it by no means follows that the mode in which it is raised makes no difference, either to the proprietor, or to the Government. As regards the former, we have already seen that, it is his interest to

pay that which the State needs, and nothing more. The tax levied on him absorbs only a portion of his income, the allocation of which may vary without making any difference in the order and proportion of the moving force of society. Every thing keeps its place; all the relative commercial values remain the same; no species of labor, no article of merchandise, is subject to those artificial enhancements of value, the effects of which, as they are spread far and wide, and cannot be foreseen, or appreciated, derange the course of industry. Furthermore, under a system of direct taxation, the desire of evading a custom-house, or any local or transitory duty, does not act so as to turn aside trade from its natural path, and cause expenses to be incurred which, though useless in themselves, are less than those which it is sought to avoid.

Neither the journeyman, who is entirely dependent on the labor of his hands, nor the pauper, who is unable to find work, nor the sufferer from old age or infirmity,—can live without paying the indirect taxes. Though the owners of property may reimburse themselves for the payments thus made, they are, nevertheless, an advance from the poor man, to the rich; and the former is, in the meantime, subjected to all the languors of misery. The State demands the tax from the man who has nothing, and it is against him that it directs all those harsh proceedings which are necessary to enforce its due payment. All this comes upon the man to whom his labor procures nought but the necessaries of life, who is, consequently, under the greatest temptation to have recourse to fraudulent evasions, and is thereby exposed to the severest penalties which are requisite for the protection of the revenue. These penalties frequently entail the total ruin of the poor man and his family, and occasionally bring him to the gaol or to the galleys.

The Government knows not, when it imposes a duty

on any merchandise, how much it exacts from the different classes. The necessarily vague estimates which it is able to procure of the quantity of any one article that is consumed, cannot enlighten it as to the possible variations of its consumption, or the diminution caused therein by the very imposition of the tax, or the increase of fraud for the purpose of evasion. It knows not if the rupture of the equilibrium of the value of the divers wares in the market may not be felt even in the trade of those articles which it did not intend to tax. It knows not how far such a tax may diminish, or even totally annihilate, the business of such and such an establishment, or injure any one branch of national industry so s to drive it away to another country.

* * * * *

Taxes on exchanges and on the transactions of society re of a not less odious nature.

It would seem as if such a financial system, like a ionster of prey, made it its business to look out for the ches of the citizens in their passage to and fro. This a very clumsy mistake. For to what purpose is all iis disguised lying in wait for riches, when all real ealth is, as it were, in the light of the sun?

THE SMALLEST TRIFLE SO PAID IS A SUBSTRACTION OM ACTUAL PROPERTY.

TAXES OUGHT TO BE FOR THE PRESERVATION OF OPERTY, NOT TO PREVENT ITS FORMATION.

[As these words cannot here be printed in gold letters, they are printed in capitals.]

* * * * *

The State has the greatest interest in preserving the isses of capital.

It is from these masses that all advances necessary for nmercial and agricultural enterprises, and for the imvement of realised property, are derived. They are ned by the slow processes of economy. For the State

to claim as revenue a part of the capital accumulated to make the advances required for the payment of labor, is, in part, to destroy the sources of its own revenue.

Indirect Taxes will destroy Capital so much the quicker as their injurious incidence is at first less felt, and causes less alarm.

* * * * *

As each citizen, in buying the article which he wishes to consume, appears to pay the tax to which it is subject entirely of his own accord, many people, including some writers of distinction, have been so far deceived by this apparent freedom of the tax-payer, as unhesitatingly to declare their preference of the duties which are levied on articles of consumption, and on the exportation and importation of articles of merchandise, to any other system of taxation.

But those who have thoroughly mastered the subject have come to a very different conclusion. Their reflections, which are confirmed by experience, have shown them clearly that, *the whole burden of taxation*, in whatever form it is first raised, when traced through all its ramifications, *falls eventually upon the owners of the soil.* It sometimes falls upon them directly by the application of part of their revenue to the necessities of the State—sometimes indirectly, by the diminution of their income, and augmentation of their expenditure.

It is evident that every tax which increases the expenses of cultivation, diminishes the rent of land.

The incomes of the various other members of society, whether they be cultivators of the soil, workmen, traders, or capitalists, is composed of the wages of labor, the remuneration of industry, and the interest of advances. They are reduced by competition to the lowest possible amount, and are never more than what is required for the maintenance of agriculture, arts, commerce, and circulation. That portion of the annual wealth which is

devoted to the support of motion and life in the body politic, cannot be turned to other purposes without injuring the public prosperity, and drying up the fountain head of riches, to the great detriment both of the proprietors of the soil, and of the entire State.

The worrying inquiries which the very nature of indirect taxation necessitates, and which follow a man in every business transaction, intruding often into the most secret recesses of his house; the frequent interferences with liberty which they sometimes require; the silent warfare which they establish between the bulk of the nation and the surveyors of taxes whom the Government deem themselves to support; all these necessary consequences of taxes on articles of consumption tend incessantly to relax the ties which attach a man to his country, and to transform into an odious charge that which ought to be an act of patriotism on the part of a good citizen, namely, an annual contribution to the common expense of society, a sacrifice of each to his own individual security, as well as that of the State.

To this may be added that, if the indirect tax be limited to the valuable articles consumed merely by the rich, it will bring in next to nothing, because the number of such rich consumers must necessarily be very small. If, on the contrary, it is imposed on articles of common consumption, its weight becomes very disproportionate to the incomes of the consumers; being next to nothing on the very rich, but making an overwhelming, oppressive demand on the poor laborers who perform the most toilsome and the most useful tasks. Among these are comprised all those directly employed in agriculture. This very circumstance cannot but increase the expenses of cultivation, and casts the tax, in the most onerous manner, on the owners of land, and is most ruinous to the farmers' capital. It must end by causing the abandonment of the cultivation of lands of inferior

quality, and so diminish the subsistence of the population, and rapidly precipitate the whole nation into poverty.

* * * * *

Such was the opinion of this eminent French Statesman, Turgot, who was born at Paris in 1727, and made Comptroller General of the Finances of France in 1774. He did much to free commerce from its general fetters, and to encourage industry; but his benevolent views were thwarted by the intrigues of those unhappy times, and he was removed in 1776. He died in 1781, and the tract from which the foregoing extracts are taken was never completed.

It is impossible for any one, capable of appreciating these extracts, to read them without feelings of surprise and admiration; surprise that any one living in such times, and in such a country, should have formed such opinions; and admiration at the clearness, simplicity, and exactitude of expression.

It seems as if every one, following the reasoning of these extracts, must be led to the conclusion of these pages.

But the Author only very recently became acquainted with these extracts, being indebted for them to the honorable member for Westmeath, Mr. William Pollard Urquhart, who is also one of the Members of the Liverpool Financial Reform Association, and to whom, therefore, this acknowledgment is offered with peculiar satisfaction.

MARSHAL VAUBAN—AND TAXATION.

It is not generally known that, this great General, and Military Engineer, of Louis XIV. was also a Political Economist, and that, for his political opinions, he died the death of a martyr.

It is not because his opinions are, at this day, of so

much value, that they are here brought specially under notice; but because his opinions were so much in advance of the times in which he lived, and because the expression of those opinions in those times was received in a manner so like the reception of similar opinions in the present day, that this notice may be useful as a warning, and a lesson of experience.

The fuller particulars of this short history will be found in the Memoirs of the Duke de St. Simon.

'Vauban, who though he had served his country all his life in a military career, in which he had attained to the highest distinctions, had all his life been touched with the misery of the People, and the vexations under which they lived, of which his position gave him ample experience. The knowledge that his offices gave him of the necessity for expense, the little hope he had that the King would retrench in matters of splendor, and amusement, made him groan to see no remedy to an oppression which increased in weight from day to day. Feeling this, he made no journey that he did not collect information upon the value and produce of the land, upon the trade and industry of the towns and provinces, on the nature of the imposts, and the manner of collecting them. Not content with this, he secretly sent to such places as he could not visit himself, or even to those he had visited, to instruct him in everything, and compare the reports he received with those he had himself made. The last 20 years of his life were spent in these researches, and at considerable cost to himself. In the end, he convinced himself, that the land was the only real wealth, and he set himself to work to form a new system.

He had already made much progress, when several little books appeared by Boisguilbert, Lieut.-General at Rouen, who long had had the same views as Vauban, and had wanted to make them known. From this labor had

resulted a learned and profound book, in which a system was explained, by which the people could be relieved of all the expenses they supported, and from every tax, and by which the revenue collected would go at once into the treasury of the King, instead of enriching, first the traitants, the intendants, and the finance ministers. These latter, therefore, were opposed to the system, and their opposition, as will be seen, was of no slight consequence.

Vauban read this book with much attention. He differed on some points with the author, but agreed with him in the main.

Boisguilbert wished to preserve some imposts upon foreign commerce, and upon provisions. Vauban wished to abolish all imposts, and to substitute for them two taxes, one upon the Land, the other upon Trade and Industry. His book, in which he put forth these ideas, was full of information and figures, all arranged with the utmost clearness, simplicity, and exactitude.

But it had a great fault. It described a course which, if followed, would have ruined an army of financiers, of clerks, of functionaries, of all kinds; it would have forced them to live at their own expense, instead of at the expense of the people; and it would have sapped the foundations of those immense fortunes that are seen to grow up in such a short time. This was enough to cause its failure.

All the people interested in opposing the work set up a cry. They saw place, power, everything, about to fly from their grasp, if the counsels of Vauban were acted upon. What wonder, then, that the King, who was surrounded by these people, listened to their reasons, and received with a very ill grace Marshal Vauban when he presented his book to him. The ministers, it may well be believed, did not give him a better welcome. From that moment his services, his military capacity (unique of its kind), his virtues, the affection the King had had

for him, all was forgotten. The King saw only in Marshal Vauban a man led astray by love for the people, a criminal who attacked the authority of the ministers, and consequently that of the King. He explained himself to this effect without scruple.

The unhappy Marshal could not survive the loss of his royal master's favor, or stand up against the enmity the King's explanations had created against him; he died a few months after, consumed with grief, and with an affliction nothing could soften, and to which the King was insensible to such a point that, he made semblance of not perceiving that he had lost a servitor so useful, and so illustrious. Vauban, justly celebrated over all Europe, was regretted in France by all who were not financiers, or their supporters.

Boisguilbert, whom this event ought to have rendered wise, could not contain himself. One of the objections which had been urged against his theories, was the difficulty of carrying out changes in the midst of a great war. He now published a book refuting this point, and describing such a number of abuses then existing, to abolish which, he asked, was it necessary to wait for peace, that the ministers were outraged. Boisguilbert was exiled to Auvergne.

I did all in my power to revoke this sentence, having known Boisguilbert at Rouen, but did not succeed until the end of two months. He was then allowed to return to Rouen, but was severely reprimanded, and stripped of his functions for some little time. He was amply indemnified, however, for this by the crowd of people, and the acclamations with which he was received.

It is due to Chamillart to say, that he was the only minister who had listened with any attention to these new systems of Vauban, and Boisguilbert. He, indeed, made trial of the plans suggested by the former, but the circumstances were not favorable to his success, and they,

of course, failed. Some time after, instead of following the system of Vauban, and reducing the imposts, fresh ones were added. Who would have said to Vauban that all his labors for the relief of the People of France, would lead to new imposts, more harsh, more permanent, and more heavy than he protested against? It is a terrible lesson against all improvements in matters of taxation, and finance.

* * * * *

Desmarets, in whom the King had been forced to put all his confidence in finance matters, conceived the idea of establishing in addition to so many taxes, that Royal Tithe upon all the property of each community, and of each private person, of the realm, that Vauban, on the one hand, and Boisguilbert on the other, had formerly proposed; but as a simple, and sole, tax which would suffice for all, which would all enter the coffers of the King, and by means of which every other impost would be abolished.

We have seen what success this proposition met with; how the financiers trembled at it; how the ministers blushed at it; with what anathemas it was rejected, and to what extent those two excellent, and skilful, citizens were disgraced. All this must be recollected here, since Desmarets, who had lost sight of this system (not as relief and remedy—unpardonable crimes in the financial doctrine), now had recourse to it.

He imparted his project to three friends, Councillors of State, who examined it well, and worked hard to see how to overcome the obstacles which arose in the way of its execution. In the first place it was necessary in order to collect this tax, to draw from each person a clear statement of his wealth, of his debts, and so on. It was necessary to demand sure proofs on these points, so as not to be deceived. Here was all the difficulty. Nothing was thought of the desolation this extra impost must cause

to a prodigious number of men, or of their despair upon finding themselves obliged to disclose their family secrets; to have a lamp thrown, as it were, upon their most delicate parts; all these things, I say, went for nothing. Less than a month sufficed these humane commissioners to render an account of this gentle project to the Cyclop who had charged them with it. Desmarets thereupon proposed it to the King, who accustomed as he was to the most ruinous imposts, could not avoid being terrified at this. For a long while he had heard nothing talked of but the most extreme misery; this increase saddened him in a manner so evident, that his valets perceived it several days running, and were so disturbed at it, that Maréchal (who related all this curious anecdote to me) made bold to speak to the King upon this sadness, fearing for his health.

The King avowed to him that he felt infinite trouble, and threw himself vaguely on the state of affairs. Eight or ten days after (during which he continued to feel the same melancholy), the King regained his usual calmness, and called Maréchal to explain the cause of his trouble.

The King related to Maréchal that the extremity of his affairs had forced him to put on furious imposts; that setting aside compassion, scruples had much tormented him for taking thus the wealth of his subjects; that at last he had unbosomed himself to the Père Tellier, who had asked for a few days to think upon the matter, and that he had returned after having had a consultation with some of the most skilful Doctors of the Sorbonne, who had decided that, *all the wealth of his subjects was his, and that, when he took it, he only took what belonged to him!* The King added, that this decision had taken away all his scruples, and had restored to him, the calm and tranquillity he had lost. Maréchal was so astonished, so bewildered to hear this recital that he could not offer one word. Happily for him, the King quitted him

almost immediately, and Maréchal remained some time in the same place, scarcely knowing where he was.

After the King had been thus satisfied by his confessor, no time was lost in establishing the tax. On Tuesday, the 30th of September, Desmarets entered the Finance Council with the necessary edict in his bag.

For some days everybody had known of this bombshell in the air, and had trembled with that remnant of hope which is founded only upon desire; all the Court, as well as all Paris waited in a dejected sadness to see what would happen. People whispered to each other, and when the project was rendered public, no one dared to talk of it aloud.

On the day above-named, the King brought forward this measure in the Council, by saying, that the impossibility of obtaining peace, and the extreme difficulty of sustaining the war, had caused Desmarets to look about in order to discover some means, which should appear good, of raising money; that he had pitched upon this tax; that he (the King), although sorry to adopt such a resource, approved it, and had no doubt the Council would do so likewise, when it was explained to them.

Desmarets, in a pathetic discourse, then dwelt upon the reasons which had induced him to propose this tax, and afterwards read the edict through from beginning to end, without interruption.

No one spoke when it was over, until the King asked D'Aguesseau his opinion. D'Aguesseau replied, that it would be necessary for him to take home the edict, and read it through very carefully before expressing an opinion. The King said that D'Aguesseau was right—it *would* take a long time to examine the edict—but, after all, examination was unnecessary, and would only be loss of time. All remained silent again, except the Duc de Beauvilliers, who, seduced by the nephew of Colbert, whom he thought an oracle in

finances, said a few words in favor of the project. Thus was settled this bloody business, and immediately after signed, sealed, and registered, among stifled sobs, and published amidst the most gentle, but most piteous complaints.

The product of this tax was nothing like so much as had been imagined in this bureau of cannibals; and the King did not pay a single farthing more to anyone than he had previously done. Thus, all the fine relief expected by this tax ended in smoke.

The Marshal de Vauban had died of grief, at the ill success of his task, and his zeal, as I have related in its place. Poor Boisguilbert, in the exile his zeal had brought him, was terribly afflicted, to find he had innocently given advice which he intended for the relief of the State, but which had been made use of in this frightful manner. Every man, without exception, saw himself a prey to the tax-gatherers; reduced to calculate and discuss with them his own patrimony, to receive their signature, and their protection under the most terrible pains; to show in public all the secrets of his family; to bring into the broad open day-light domestic turpitudes enveloped until then in the folds of precautions the wisest, and the most multiplied. Many had to convince the tax-agents, but vainly, that although proprietors, they did not enjoy the tenth part of their property. All Languedoc offered to give up its entire wealth, if allowed to enjoy, free from every impost, the tenth part of it. The proposition not only was not listened to, but was reputed an insult, and severely blamed.

Monseigneur le Duc de Bourgogne spoke openly against this tax, and against the finance people, who lived upon the very marrow of the people; spoke with a just and holy anger that recalled the memory of St. Louis, of Louis XII., Father of the People, and of Louis

the Just. Monseigneur, too, moved by this indignation, so unusual, of his son, sided with him, and showed anger at so many exactions as injurious, as barbarous, and at so many insignificant men so monstrously enriched with the nation's blood. Both father and son infinitely surprised those who heard them, and made themselves looked upon in some sort, as resources from which something might hereafter be hoped for. But the edict was issued, and though there might be some hope in the future, there was none in the present. And no one knew who was to be the real successor of Louis XIV., and how, under the next Government, we were to be still more overwhelmed than under this one.

One result of this tax was, that it enabled the King to augment all his infantry with five men per company.

A tax was also levied upon the usurers, who had much gained by trafficking in the paper of the King, that is to say, had taken advantage of the need of those to whom the King gave this paper in payment. These usurers are called *agioteurs*. Their mode was, ordinarily, to give, for example, according as the holder of paper was more or less pressed, 300, or 400 francs (the greater part often in provisions), for a bill of a thousand francs! This game was called *agio*. It was said that thirty millions were obtained from this tax. Many people gained much by it; I know not if the King were the better treated.

Soon after this the coin was re-coined, by which great profit was made for the King, and much wrong done to private people, and to trade. In all times it has been regarded as a very great misfortune to meddle with coin, and money. Desmarets has accustomed us to tricks with the money; M. le Duc and Cardinal Fleury to interfere with corn, and to fictitious famine.

At the commencement of December, the King declared that he wished there should be, contrary to custom, plays,

and "apartments" at Versailles, even when Monseigneur should be at Meudon. He thought, apparently, he must keep his Court full of amusements, to hide, if it were possible, abroad and at home, the disorder, and the extremity of affairs. For the same reason, the carnival was opened early this season, and all through the winter there were many balls of all kinds at the Court, where the wives of the ministers gave very magnificent displays, like fêtes, to Madame la Duchesse de Bourgogne and to all the Court.

But Paris did not remain less wretched, or the provinces less desolated.

And thus I have arrived at the end of 1710.'

The foregoing is abridged from the French, of the Duke de St. Simon, by Bayle St. John.

Here we may see the origin of the French Revolution, and of its horrors.

France for a thousand years had been subject to tyrants, and the country, when not desolated by oppression and taxation, was brutalized by bigotry and licentiousness.

If we compare the six thousand persons supposed to have perished under the hands of executioners during the French Revolution, with the multitudes which perished by fictitious famine, brought on by the tyrant kings and their miscreant ministers, with the connivance of the infamous nobility, all astonishment ceases, but at the clemency shown by the brutalized and infuriated People in the hour of their vengeance and triumph.

Who can doubt that the horrors of the French Revolution would have been unknown, if the just and wise views of Vauban had been carried out in his time? And who can doubt, after this experience, that accumulated wrongs work out, slowly but surely, their own redress, even in this world, with fearful retribution?

The only value of history is in its lessons of experience,

and if it do not teach to be wise in time, all its teaching is good for nothing more than the historic ballad of "Chevy Chase."

ADAM SMITH—AND TAXATION.

The few Extracts which will be here given from the Writings of our great Master "On the Nature and Causes of the Wealth of Nations," are for the purpose of showing the perfect coincidence of his views with those of Turgot and Vauban, as also with the Scheme of Taxation here presented, on all the most essential points.

Adam Smith shows that, the private revenue of individuals arises ultimately from three different sources; Rent, Profit, and Wages.

Every tax must finally be paid from one or other of these three different sorts of revenue, or from all of them indifferently.

1. The subjects of every State ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State.

2. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person.

3. Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it.

4. Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the State.

[Let the reader mark what follows, bearing in mind our Excise and Customs duties, and our Assessed and other taxes.]

A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treasury, in the four following ways. First, the levying of it may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax, and whose perquisites may impose another additional tax upon the people. Secondly, it may obstruct the industry of the people, and discourage them from applying to certain branches of business which might give maintenance and employment to great multitudes. While it obliges people to pay, it may thus diminish, or perhaps destroy, some of the funds which might enable them more easily to do so. Thirdly, by the forfeitures and other penalties which those unfortunate individuals incur who attempt unsuccessfully to evade the tax, it may frequently ruin them, and thereby put an end to the benefit which the community might have received from the employment of their capitals. An injudicious tax offers a great temptation to smuggling. But the penalties of smuggling must rise in proportion to the temptation. The law, contrary to all the ordinary principles of justice, first creates the temptation, and then punishes those who yield to it; and it commonly enhances the punishment too in proportion to the very circumstance which ought certainly to alleviate it, the temptation to commit the crime. Fourthly, by subjecting the people to the frequent visits of the odious examination of the tax-gatherers, it may expose them to much unnecessary trouble, vexation, and oppression; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it.

It is in some one or other of these four different ways

that taxes are frequently so much more burdensome to the people than they are beneficial to the Sovereign.

He takes a short review of some of the principal taxes which have taken place in different ages and countries, to show that all nations have not been equally successful in their endeavors to render their taxes as equal as they could contrive; as certain, as convenient to the contributor, both in the time and mode of payment, and in proportion to the revenue which they brought to the State, as little burdensome to the people.

A Tax upon the rent of land may either be imposed according to a certain canon, every district being valued at a certain rent, which valuation is not afterwards to be altered; or it may be imposed in such a manner as to vary with every variation in the real rent of the land, and to rise or fall with the improvement or declension of its cultivation.

A Land-Tax which, like that of Great Britain, is assessed upon each district according to a certain invariable canon, though it should be equal at the time of its first establishment, necessarily becomes unequal in process of time, according to the unequal degrees of improvement or neglect in the cultivation of the different parts of the country. In England, the valuation according to which the different counties and parishes were assessed to the land-tax by the 4th of William and Mary, was very unequal even at its first establishment.

This tax, therefore, so far offends against the first of the four maxims above mentioned. It is perfectly agreeable to the other three. It is perfectly certain. The time of payment for the tax, being the same as that for the rent, is as convenient as it can be to the contributor. Though the landlord is in all cases the real contributor, the tax is commonly advanced by the tenant, to whom the landlord is obliged to allow it in the payment of the rent. This tax is levied by a much smaller number of

officers than any other which affords nearly the same revenue.

As the tax of each district does not rise with the rent, the sovereign does not share in the profits of the landlord's improvements.

Those improvements sometimes contribute, indeed, to the discharge of the other landlords of the district. But the aggravation of the tax, which this may sometimes occasion upon a particular estate, is always so very small, that it never can discourage those improvements, nor keep down the produce of the land below what it would otherwise rise to. As it has no tendency to diminish the quantity, it can have none to raise the price of that produce. It does not obstruct the industry of the people. It subjects the landlord to no other inconveniency besides the unavoidable one of paying the tax.

The advantage, however, which the landlord has derived from the invariable constancy of the valuation by which all the lands of Great Britain are rated to the land-tax, has been principally owing to some circumstances altogether extraneous to the nature of the tax.

It has been owing in part to the great prosperity of almost every part of the country, the rents of almost all the estates of Great Britain have since the time when this valuation was first established, been continually rising, and scarce any of them have fallen. The landlords, therefore, have almost all gained the difference between the tax which they would have paid, according to the present rent of their estates, and that which they actually pay according to the ancient valuation.

Taxes which are proportioned, not to the Rent, but to the produce of Land.

Taxes upon the produce of land are in reality taxes upon the rent; and though they may be originally advanced by the farmer, are finally paid by the landlord.

When a certain portion of the produce is to be paid away for a tax, the farmer computes, as well as he can, what the value of this portion is, one year with another, likely to amount to, and he makes a proportionable abatement in the rent which he agrees to pay to the landlord. There is no farmer who does not compute beforehand what the Church tythe,—which is a land-tax of this kind, is, one year with another, likely to amount to.

A tax upon the produce of land which is levied in money, may be levied either according to a valuation which varies with all the variations of the market price; or according to a fixed valuation, a bushel of wheat, for example, being always valued at one and the same money price, whatever may be the state of the market.

The produce of the tax levied in the former way, will vary only according to the variations in the real produce of the land, according to the improvement or neglect of cultivation. The produce of a tax levied in the latter way, will vary not only according to the variations in the produce of the land, but according both to those in the value of the precious metals, and those in the quantity of those metals which is at different times contained in coin of the same denomination. The produce of the former will always bear the same proportion to the value of the real produce of the land. The produce of the latter may, at different times, bear very different proportions to that value.

Taxes upon the Rent of Houses.

The Rent of a house may be distinguished into two parts, of which the one may very properly be called the Building Rent; the other is commonly called the Ground Rent.

The building rent is the interest or profit of the capital expended in building the house. In order to put the

trade of a builder upon a level with other trades, it is necessary that this rent should be sufficient, first, to pay him the same interest which he would have got for his capital if he had lent it upon good security; and, secondly, to keep the house in constant repair, or, whatc omes to the same thing, to replace within a certain term of years, the capital which had been employed in building it. The building rent, or the ordinary profit of building, is, therefore, everywhere regulated by the ordinary interest of money. Where the market rate of interest is four per cent. the rent of a house which, over and above paying the ground-rent, affords six or six and a half per cent. upon the whole expense of building, may perhaps afford a sufficient profit to the builder. Where the market rate of interest is five per cent., it may perhaps require seven or seven and a half per cent.

If in proportion to the interest of money, the trade of the builder afford at any time a much greater profit than this, it will soon draw so much capital from other trades as will reduce the profit to its proper level. If it afford at any time much less than this, other trades will soon draw so much capital from it as will again raise that profit.

Whatever part of the whole rent of a house is over and above what is sufficient for affording this reasonable profit, naturally goes to the ground-rent; and where the owner of the ground and the owner of the building are two different persons, is, in most cases, completely paid to the former. The surplus rent is the price which the inhabitant of the house pays for some real or supposed advantage of the situation.

A tax upon house-rent, payable by the tenant and proportioned to the whole rent of each house, could not, for any considerable time at least, affect the building rent. If the builder did not get his reasonable profit, he would be obliged to quit the trade; which by raising

the demand for building, would in a short time bring back his profit to its proper level with that of other trades. Neither would such a tax fall altogether upon the ground-rent; but it would divide itself in such a manner as to fall partly upon the inhabitant of the house and partly upon the owner of the ground.

The inequality with which a tax of this kind might fall upon the owners of different ground-rents, would arise altogether from the accidental inequality of this division. But the inequality with which it might fall upon the inhabitants of different houses, would arise, not only from this, but from another cause. The proportion of the expense of house-rent to the whole expense of living, is different in the different degrees of fortune. It is perhaps highest in the highest degree, and it diminishes gradually through the inferior degrees, so as in general to be lowest in the lowest degree. The necessaries of life occasion the great expense of the poor. They find it difficult to get food, and the greater part of their little revenue is spent in getting it. The luxuries and vanities of life occasion the principal expense of the rich; and a magnificent house embellishes and sets off to the best advantage all the other luxuries and vanities which they possess. A tax upon house-rents, therefore, would in general fall heaviest upon the rich; and in this sort of inequality there would not, perhaps, be anything very unreasonable. It is not very unreasonable that the rich should contribute to the public expense, not only in proportion to their revenue, but something more than in that proportion.

The rent of houses, though it in some respects resembles the rent of land, is in one respect essentially different from it.

The rent of land is paid for the use of a productive subject. The land which pays it produces it. The rent of houses is paid for the use of an unproductive subject.

Neither the house nor the ground which it stands upon produces anything. The person who pays the rent, therefore, must draw it from some other source of revenue, distinct from and independent of this subject. A tax upon the rent of houses, so far as it falls upon the inhabitants, must be drawn from the same source as the rent itself, and must be paid from their revenue, whether derived from the wages of labor, the profits of stock, or the rent of land.

So far as it falls upon the inhabitants, it is one of those taxes which fall, not upon one only, but indifferently upon all the three different sources of revenue; and is in every respect of the same nature as a tax upon any other sort of consumable commodities. In general there is not, perhaps, any one article of expense or consumption by which the liberality or narrowness of a man's whole expense can be judged of, than by his house-rent. A proportional tax upon this particular article of expense might, perhaps, produce a more considerable revenue than any which has hitherto been drawn from it in any part of Europe. If the tax indeed was very high, the greater part of people would endeavor to evade it, as much as they could, by contenting themselves with smaller houses, and by turning the greater part of their expense into some other channel.

The rent of houses might easily be ascertained with sufficient accuracy, by a policy of the same kind with that which would be necessary for ascertaining the ordinary rent of land. Houses not inhabited ought to pay no tax. A tax upon them would fall altogether upon the proprietor, who would thus be taxed for a subject which afforded him neither conveniency nor revenue. Houses inhabited by the proprietor ought to be rated, not according to the expense which they might have cost a building, but according to the rent which an equitable arbitration might judge them likely to bring, if leased to

a tenant. If rated according to the expense which they might have cost in building, a tax of three or four shillings in the pound, joined with other taxes, would ruin almost all the rich and great families of this, and, I believe, of every other civilized country.

Ground-Rents are a still more proper subject of taxation than the rent of houses. A tax upon ground-rents would not raise the rents of houses. It would fall altogether upon the owner of the ground-rent, who acts always as a monopolist, and exacts the greatest rent which can be got for the use of his ground. More or less can be got for it according as the competitors happen to be richer or poorer, or can afford to gratify their fancy for a particular spot of ground at a greater or smaller expense. In every country the greatest number of rich competitors is in the capital, and it is there accordingly that the highest ground-rents are always to be found. As the wealth of those competitors would in no respect be increased by a tax upon ground-rents, they would not probably be disposed to pay more for the use of the ground. Whether the tax was to be advanced by the inhabitant, or by the owner of the ground, would be of little importance. The more the inhabitant was obliged to pay for the tax, the less he would incline to pay for the ground; so that the final payment of the tax would fall altogether upon the owner of the ground-rent. The ground-rents of uninhabited houses ought to pay no tax.

Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in may cases, enjoys without any care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the State, no discouragement will thereby be given to any sort of industry.

The annual produce of the land and labor of the society, the real wealth and revenue of the great body of

the people, might be the same after such a tax as before. Ground-rents, and the ordinary rent of land, are, therefore, perhaps, the species of revenue which can best bear to have a peculiar tax imposed upon them.

Taxes upon Profit, or upon the Revenue arising from Stock.

The revenue or profit arising from Stock naturally divides itself into two parts; that which pays the interest, and which belongs to the owner of the Stock; and that surplus part which is over and above what is necessary for paying the interest.

This latter part of profit is evidently a subject not taxable directly. It is the compensation, and in most cases it is no more than a very moderate compensation, for the risk and trouble of employing the stock. The employer must have this compensation, otherwise he cannot, consistently with his own interest, continue the employment. If he was taxed directly, therefore, in proportion to the whole profit, he would be obliged either to raise the rate of his profit, or to charge the tax upon the interest of money, that is, to pay less interest. If ıe raised the rate of his profit in proportion to the tax, :he whole tax, though it might be advanced by him, vould be finally paid by one or other of two different ets of people, according to the different ways in which .e might employ the stock of which he had the manage-ıent. If he employed it as a farming stock in the cul-ivation of land, he could raise the rate of his profit only y retaining a greater portion, or, what comes to the ıme thing, the price of a greater portion of the produce f the land; and as this could be done only by a reduc-on of rent, the final payment of the tax would fall upon ıe landlord. If he employed it as a mercantile or anufacturing stock, he could raise the rate of his profit ıly by raising the price of his goods; in which case

the final payment of the tax would fall altogether upon the consumers of those goods. If he did not raise the rate of his profit, he would be obliged to charge the whole tax upon that part of it which was allotted for the interest of money. He could afford less interest for whatever stock he borrowed, and the whole weight of the tax would in this case fall ultimately upon the interest of money. So far as he could not relieve himself from the tax in the one way, he would be obliged to relieve himself in the other.

The interest of money seems at first sight a subject equally capable of being taxed directly as the rent of land. Like the rent of land, it is a neat produce which remains after completely compensating the whole risk and trouble of employing the stock. As a tax upon the rent of land cannot raise rents; because the neat produce which remains after replacing the stock of the farmer, together with his reasonable profit, cannot be greater after the tax than before it: so, for the same reason, a tax upon the interest of money in the country, like the quantity of land, being supposed to remain the same after the tax as before it. The ordinary rate of profit is everywhere regulated by the quantity of stock to be employed in proportion to the quantity of the employment, or of the business which must be done by it. But the quantity of the employment, or of the business to be done by stock, could neither be increased nor diminished by any tax upon the interest of money. If the quantity of the stock to be employed therefore, was neither increased nor diminished by it, the ordinary rate of profit would necessarily remain the same. But the portion of this profit necessary for compensating the risk and trouble of the employer, would likewise remain the same, that risk and trouble being in no respect altered. The residue, therefore, that portion which belongs to the owner of the stock, and which pays the interest of money,

would necessarily remain the same too. At first sight, therefore, the interest of money seems to be a subject as fit to be taxed directly as the rent of land.

There are, however, two different circumstances which render the interest of money a much less proper subject of direct taxation than the rent of land.

First, the quantity and value of the land can never be a secret, and can always be ascertained with great exactness. It is liable, besides, to almost continual variations. A year seldom passes away, frequently not a month, sometimes scarce a single day, in which it does not rise or fall more or less. An inquisition into every man's private circumstances, and an inquisition which, in order to accommodate the tax to them, watched over all the fluctuations of his fortune, would be a source of such continual and endless vexation as no people could support.

Secondly, land is a subject which cannot be removed, whereas stock easily may. The proprietor of land is necessarily a citizen of the particular country in which his estate lies.

The proprietor of stock is properly a citizen of the world, and is not necessarily attached to any particular country. He would be apt to abandon the country in which he was exposed to a vexatious inquisition, in order to be assessed to a burdensome tax, and would remove his stock to some other country where he could either carry on his business, or enjoy his fortune more at his ease. By removing his stock he would put an end to all the industry which it had maintained in the country which he left. Stock cultivates land; stock employs labor. A tax which tended to drive away stock from any particular country, would so far tend to dry up every source of revenue both to the Sovereign and to the society. Not only the profits of stock, but the rent of land and the wages of labor, would necessarily be more or less diminished by its removal.

Taxes upon the Profit of particular Employments.

In some countries extraordinary taxes are imposed upon the profits of stock; sometimes when employed in particular branches of trade, and sometimes when employed in agriculture.

Of the former kind are in England the tax upon hawkers and pedlars, that upon hackney coaches and chairs, and that which the keepers of ale-houses pay for a licence to retail ale and spirituous liquors. During the late war, another tax of the same kind was proposed upon shops. The war having been undertaken, it was said, in defence of the trade of the country, the merchants, who were to profit by it, ought to contribute towards the support of it.

A tax, however, upon the profits of stock employed in any particular branch of trade, can never fall finally upon the dealers (who must in all ordinary cases have their reasonable profit, and, where the competition is free, can seldom have more than that profit) but always upon the consumers, who must be obliged to pay in the price of the goods the tax which the dealer advances; and generally with some overcharge.

A tax of this kind when it is proportioned to the trade of the dealer, is finally paid by the consumer, and occasions no oppression to the dealer. When it is not so proportioned, but is the same upon all dealers, though in this case too it is finally paid by the consumer, yet it favors the great, and occasions some oppression to the small dealer.

Taxes upon the Capital Value of Land, Houses, and Stock.

While property remains in the possession of the same person, whatever permanent taxes may have been imposed upon it, they have never been intended to dimi-

nish, or take away any part of its capital value, but only some part of the revenue arising from it. But when property changes hands, when it is transmitted either from the dead to the living, or from the living to the living, such taxes have frequently been imposed upon it as necessarily take away some part of its capital value.

Those modes of taxation, by stamp duties and by duties upon registration, are of very modern invention. In the course of little more than a century, however, stamp duties have, in Europe, become almost universal, and duties upon registration extremely common. There is no art which one government sooner learns of another, than that of draining money from the pockets of the people.

Taxes upon the transference of property from the dead to the living, fall finally as well as immediately upon the persons to whom the property is transferred. Taxes upon the sale of land fall altogether upon the seller. The seller is almost always under the necessity of selling, and must, therefore, take such a price as he can get. The buyer is scarce ever under the necessity of buying, and will, therefore, only give such a price as he likes. He considers what the land will cost him in tax and price together.

The more he is obliged to pay in the way of tax, the less he will be disposed to give in the way of price. Such taxes, therefore, fall almost always upon a necessitous person, and must, therefore, be frequently very cruel and oppressive. Stamp duties, and duties upon the registration of bonds and contracts for borrowed money, fall altogether upon the borrower, and, in fact, are always paid by him. Duties of the same kind upon law proceedings fall upon the suitors. They reduce to both the capital value of the subject in dispute. The more it costs to acquire property, the less must be the neat value of it when acquired.

All taxes upon the transference of property of every kind, so far as they diminish the capital value of that property, tend to diminish the funds destined for the maintenance of productive labor. They are all more or less unthrifty taxes that increase the revenue of the Sovereign, which seldom maintains any but unproductive laborers; at the expense of the capital of the people, which maintains none but productive.

Such taxes, even when they are proportioned to the value of the property transferred, are still unequal; the frequency of transference not being always equal in property of equal value.

When they are not proportioned to this value, which is the case with the greater part of the stamp duties, and duties of registration, they are still more so.

[This inequality has since been much reduced.]

The registration of the greater part of deeds is frequently inconvenient and even dangerous to individuals, without any advantage to the public.

All registers which, it is acknowledged, ought to be kept secret, ought certainly never to exist. The credit of individuals ought certainly never to depend upon so very slender a security as the probity and religion of the inferior officers of revenue. But where the fees of registration have been made a source of revenue to the Sovereign, register offices have commonly been multiplied without end.

Such stamp duties as those upon licences to retail ale, wine, and spirituous liquors, though intended, perhaps, to fall upon the profits of retailers, are finally paid by the consumers of those liquors.

Such taxes, though called by the same name, and levied by the same officers and in the same manner with the stamp duties above mentioned upon the transference of property, are however of a quite different nature, and fall upon different funds.

Taxes upon the Wages of Labor.

The annual labor of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes; and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations.

A man must always live by his work, and his wages must, at least, be sufficient to maintain him. They must even upon most occasions be somewhat more; otherwise it would be impossible for him to bring up a family; and the race of such workmen could not last beyond the first generation.

The demand for those who live by wages, it is evident, cannot increase but in proportion to the increase of the funds which are destined to the payment of wages. These funds are of two kinds: first, the revenue which is over and above what is necessary for the maintenance; and, secondly, the stock which is over and above what is necessary for the employment of their masters.

The demand for those who live by wages, therefore, necessarily increases with the increase of the revenue and stock of every country, and cannot possibly increase without it. The increase of revenue and stock is the increase of national wealth. The demand for those who live by wages, therefore, naturally increases with the increase of national wealth, and cannot possibly increase without it. The liberal reward of labor, therefore, as it is the natural effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the laboring poor, on the other hand, is the natural symptom that things are at a stand, and their starving condition that they are going backwards.

Servants, laborers, and workmen of different kinds,

make up the far greater part of every great political society. But what improves the circumstances of the greater part can never be regarded as an inconveniency to the whole. No society can surely be flourishing and happy of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed, and lodged.

The wages of the inferior classes of workmen are everywhere necessarily regulated by two different circumstances; the demand for labor and the ordinary or average price of provisions.

The demand for labor regulates the subsistence of the laborer, and determines in what degree it shall be either liberal, moderate, or scanty. The ordinary or average price of provisions determines the quantity of money which must be paid to the workman in order to enable him, one year with another, to purchase this liberal, moderate, or scanty subsistence.

In all cases a direct tax upon the wages of labor must, in the long run, occasion both a greater reduction in the rent of land, and a greater rise in the price of manufactured goods, than would have followed from the proper assessment of a sum equal to the produce of the tax, partly upon the rent of land, and partly upon consumable commodities.

If direct taxes upon the wages of labor have not always occasioned a proportionable rise in those wages, it is because they have generally occasioned a considerable fall in the demand for labor. The declension of industry, the decrease of employment for the poor, the diminution of the annual produce of the land and labor of the country, have generally been the effects of such taxes. In consequence of them, however, the price of

labor must always be higher than it otherwise would have been in the actual state of the demand; and this enhancement of price, together with the profit of those who advance it, must always be finally paid by the landlords and consumers.

Absurd and destructive as such taxes are, however, they take place in many countries.

Taxes which it is intended should fall indifferently upon every different species of Revenue.

These are capitation taxes, and taxes upon consumable commodities. These must be paid indifferently from whatever revenue the contributors may possess; from the rent of their land, from the profits of their stock, or from the wages of their labor.

These taxes, if it be attempted to proportion them to the fortune or revenue of each contributor, become altogether arbitrary. The state of a man's fortune varies from day to day, and without an inquisition more intolerable than any tax, and renewed at least once every year, can only be guessed at. His assessment, therefore, must in most cases depend upon the good or bad humor of his assessors, and must, therefore, be altogether arbitrary and uncertain.

Such taxes, therefore, if it be attempted to render them equal, become altogether arbitrary and uncertain; and if it be attempted to render them certain and not arbitrary, become altogether unequal.

Let the tax be light or heavy, uncertainty is always a great grievance. In a light tax a considerable degree of inequality may be supported; in a heavy one it is altogether intolerable.

Taxes upon Consumable Commodities.

The impossibility of taxing the people, in proportion to their revenue, by any capitation, seems to have given

occasion to the invention of taxes upon consumable commodities. The State not knowing how to tax, directly and proportionably, the revenue of its subjects, endeavors to tax it indirectly by taxing their expense, which, it is supposed, will in most cases be nearly in proportion to their revenue. Their expense is taxed by taxing the consumable commodities upon which it is laid out.

Consumable commodities are either necessaries or luxuries.

As the wages of labor are everywhere regulated, partly by the demand for it, and partly by the average price of the necessary articles of subsistence; whatever raises this average price must necessarily raise those wages, so that the laborer may still be able to purchase that quantity of those necessary articles which the state of the demand for labor, whether increasing, stationary, or declining, requires that he should have. A tax upon those articles necessarily raises their price somewhat higher than the amount of the tax, because the dealer, who advances the tax, must generally get it back with a profit. Such a tax must, therefore, occasion a rise in the wages of labor proportionable to this rise of price.

It is thus that a tax upon the necessaries of life, operates exactly in the same manner as a direct tax upon the wages of labor. The laborer, though he may pay it out of his hand, cannot, for any considerable time at least, be properly said even to advance it. It must always in the long-run be advanced to him by his immediate employer in the advanced rate of his wages. His employer, if he be a manufacturer, will charge upon the price of his goods this rise of wages, together with a profit; so that the final payment of the tax, together with this over-charge, will fall upon the consumer. If his employer be a farmer, the final payment, together with a like over-charge, will fall upon the rent of the landlord.

It is otherwise with taxes upon luxuries; even

upon those of the poor. The rise in the price of the taxed commodities, will not necessarily occasion any rise in the wages of labor. A tax upon tobacco, for example, though a luxury of the poor as well as of the rich, will not raise wages.

The high price of such commodities does not necessarily diminish the ability of the inferior ranks of people to bring up families.

Any rise in the average price of necessaries, unless it be compensated by a proportionable rise in the wages of labor, must necessarily diminish more or less the ability of the poor to bring up numerous families, and consequently to supply the demand for useful labor; whatever may be the state of that demand, whether increasing, stationary, or declining; or such as requires an increasing, stationary, or declining, population.

Taxes upon luxuries have no tendency to raise the price of any other commodities except that of the commodities taxed. Taxes upon necessaries, by raising the wages of labor, necessarily tend to raise the price of all manufactures, and consequently to diminish the extent of their sale and consumption. Taxes upon luxuries are finally paid by the consumers of the commodities taxed, without any retribution. They fall indifferently upon every species of revenue, the wages of labor, the profits of stock, and the rent of land. Taxes upon necessaries, so far as they affect the laboring poor, are finally paid, partly by landlords in the diminished rent of their lands, and partly by rich consumers, whether landlords or others, in the advanced price of manufactured goods; and always with a considerable over-charge.

The advanced price of such manufactures as are real necessaries of life, and are destined for the consumption of the poor, of coarse woollens, for example, must be compensated to the poor by a farther advancement of their wages. The middling and superior ranks of people,

if they understood their own interest, ought always to oppose all taxes upon the necessaries of life, as well as all direct taxes upon the wages of labor. The final payment of both one and the other falls altogether upon themselves, and always with a considerable overcharge. They fall heaviest upon the landlords, who always pay in a double capacity; in that of landlords, by the reduction of their rent; and in that of rich consumers, by the increase of their expense.

Certain taxes are, in the price of certain goods, sometimes repeated and accumulated four or five times, and this is perfectly true with regard to taxes upon the necessaries of life.

Such taxes, in proportion to what they bring into the public treasury of the State, always take out, or keep out, of the pockets of the people more than almost any other taxes.

The perquisites of Custom-house officers are everywhere much greater than their salaries; at some ports more than double or triple those salaries.

If the salaries of officers, and other incidents, therefore, amount to more than ten per cent. upon the net revenue of the Customs; the whole expense of levying that revenue may amount, in salaries and perquisites together, to more than twenty or thirty per cent.

Such taxes necessarily occasion some obstruction or discouragement to certain branches of industry. As they always raise the price of the commodity taxed, they so far discourage its consumption, and consequently its production. If it be a commodity of home growth or manufacture, less labor comes to be employed in raising or producing it. If it be a foreign commodity of which the tax increases in this manner the price, the commodities of the same kind which are made at home may thereby, indeed, gain some advantage in the home market, and a greater quantity of domestic industry

may thereby be turned toward preparing them. But though this rise of price in a foreign commodity may encourage domestic industry in one particular branch, it necessarily discourages that industry in almost every other. The dearer the consumers in one country pay for the surplus produce of another, the cheaper they necessarily sell that part of their own surplus produce with which, or, what comes to the same thing, with the price of which they buy it. That part of their own surplus produce becomes of less value to them, and they have less encouragement to increase its quantity. All taxes upon consumable commodities, therefore, tend to reduce the quantity of productive labor below what it otherwise would be, either in preparing the commodities taxed, if they be home commodities; or in preparing those with which they are purchased, if they be foreign commodities. Such taxes too, always alter, more or less, the natural direction of national industry, and turn it into a channel always different from, and generally less advantageous than, that in which it would have run of its own accord.

The hope of evading such taxes by smuggling gives frequent occasion to forfeitures and other penalties, which entirely ruin the smuggler; a person who, though no doubt highly blameable for violating the laws of his country, is frequently incapable of violating those of natural justice, and would have been, in every respect, an excellent citizen, had not the laws of his country made that a crime which nature never meant to be so.

Not many people are scrupulous about smuggling, when, without perjury, they can find an easy and safe opportunity of doing so. To pretend to have any scruple about buying smuggled goods, though a manifest encouragement to the violation of the revenue laws, and to the perjury which almost always attends it, would in most countries be regarded as one of those pedantic

pieces of hypocrisy which, instead of gaining credit with anybody, serve only to expose the person who affects to practise them, to the suspicion of being a greater knave than most of his neighbors. By this indulgence of the public, the smuggler is often encouraged to continue a trade which he is thus taught to consider as in some measure innocent; and when the severity of the revenue laws is ready to fall upon him, he is frequently disposed to defend with violence, what he has been accustomed to regard as his just property. From being, at first, perhaps, rather imprudent than criminal, he at last too often becomes one of the hardiest and most determined violators of the laws of society. By the ruin of the smuggler, his capital, which had before been employed in maintaining productive labor, is absorbed either in the revenue of the State, or in that of the revenue officer, and is employed in maintaining unproductive, to the diminution of the general capital of the society, and of the useful industry which it might otherwise have maintained.

Such taxes, by subjecting at least the dealers in the taxed commodities to the frequent visits and odious examination of the tax-gatherers, expose them sometimes, no doubt, to some degree of oppression, and always to much trouble and vexation; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it. The laws of Excise, though more effectual for the purpose for which they were instituted, are, in this respect, more vexatious than those of the Customs. When a merchant has imported goods subject to certain duties of Customs, when he has paid those duties, and lodged the goods in his warehouse, he is not, in most cases, liable to any further trouble or vexation from the Custom-house officer. It is otherwise with goods subject to duties of Excise. The

dealers have no respite from the continual visits and examination of the Excise officers. The duties of Excise are, upon this account, more unpopular than those of the Customs; and so are the officers who levy them. These officers, it is pretended, though in general, perhaps, they do their duty fully as well as those of the Customs; yet, as that duty obliges them to be frequently very troublesome to some of their neighbors, commonly contract a certain hardness of character which the others frequently have not.

After all the proper subjects of taxation have been exhausted, if the exigencies of the State still continue to require new taxes, they must be imposed upon improper ones. The taxes upon the necessaries of life, therefore, may be no impeachment of the wisdom of that State which is compelled to adopt them.

The sarcasm, whether intended or not, in the last paragraph, may be an appropriate conclusion to these Extracts.

The whole of these Extracts, though, probably, not so intended, are, in fact, a reproachful commentary on our System of Taxation.

This eminent Writer, and profound reasoner,—in the main correct,—probably did not himself see the full force of his own condemnatory remarks.

It is not pretended to be said that, he saw the full extent to which his own reasoning led.

If he could have seen what, in his time, was very obscure, but what, in the light let in by the experience of nearly a century since he wrote, is now very clear, he would have corrected the few errors which he has left in his great work; and he would have qualified still more than he has done, his indirect acquiescence in many practices quite inconsistent with the principles which he has so clearly laid down, especially as regards the taxation of the laborer in his own labor. It is not pre-

tended however that he contemplated the Scheme of Taxation here proposed.

But those who are well acquainted with the writings of Adam Smith can hardly fail to see, in this scheme, the realisation in practice of every principle which he so strongly advocated in theory. He could not, in his time, see the way to carry out in full those principles which he has so clearly, and, in the main, correctly, laid down; but it was evidently the object of his great work to direct the public mind to these principles, as the true sources of the Wealth of Nations, and to advocate the raising of the necessary revenue of the State, as nearly as then appeared possible, in conformity with these principles.

The light which has been let into human affairs within the last century, has made many things practical, which had never before been dreamt of, even by the most lively imagination. It is no more matter of surprise that Adam Smith did not see the way to realise in practice his principles of perfect government, than that he did not see how to turn the power of steam to the practical purposes of the locomotive steam-engine of the present day; or the electric fluid to the purpose of the telegraph. But it would be as unreasonable to reject the new light in the one case, as in the other; or to assume that what a hundred years ago appeared to be impossible, is still impracticable. Questions of this kind are not to be determined by the judgment and experience of even the most learned and thoughtful men of a past age; but rather by that wisdom of experience which is ever showing us how very narrow have been the limits of all human knowledge, in all ages.

In these abridged Extracts, from the great work of Adam Smith, is comprised the substance of his opinion on the whole question of Taxation, and this may be

taken as fairly representing the highest wisdom on the subject at that time; and, much as that wisdom is worthy of admiration in this day, yet, the lessons of experience which we have since learnt, have taught us to rely with greater confidence on many truths which were so imperfectly perceived by him, as to be then but little relied on; and to reject now, as clearly erroneous, some which were then regarded by him as possible, though doubtful, truths. All these doubtful questions have been kept out of view as far as could be, in these Extracts; the present object being, only to support the principles here propounded, by the weight of this high authority, as far as it can be fairly claimed. There is a fashion in authorities, as well as in many other things; and it is fortunate that it is the fashion to quote from Adam Smith; but, certainly, many of those who are in the frequent habit of quoting from his writings, have never redde them, and still fewer, perhaps, have any clear understanding of his meaning.

The fact is,—and it must be admitted, however humiliating,—that most persons but very imperfectly understand their own meaning. Comparatively few and unimportant would be the errors of men if they did but know, *first*,—what they themselves mean; and, *secondly*, what the words mean by which they attempt to convey their meaning. As it is,—'the errors of men cause all their misery.' Malebranche inscribed upon the frontispiece of his book this sentence:—"L'erreur est la cause de la misère des hommes."

In this abridged form, the careful reader will have no difficulty in understanding the meaning of the text, and he cannot fail to see that, as far as it goes, it entirely supports the view of the whole subject presented in these pages; and that this view, when carried beyond the text, is, nevertheless, always in perfect consistency with it.

PART V.

CONCLUDING OBSERVATIONS.

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BASTIAT, in his 'Harmonies of Political Economy,' commences his 'Concluding Observations,' thus:—

"In the first part of this Work—alas! too hastily written—I have endeavored to keep the reader's attention fixed upon the line of demarcation, always flexible, but always marked, which separates the two regions of the economic world—natural co-operation, and human labor—the bounty of God, and the work of man—the gratuitous, and the onerous—that which in exchange is remunerated, and that which is transferred without remuneration—aggregate utility, and the fractional and supplementary utility which constitutes value—absolute wealth, and relative wealth—the co-operation of chemical or mechanical forces, constrained to aid production by the instruments which render them available, and the just recompense of the labor which has created these instruments themselves—Community, and Property."

It would be hardly possible to find more appropriate words than these are, for commencing the Concluding Observations to the present imperfect work.

The Author, too, has endeavored to keep the reader's attention fixed upon the line of demarcation between human labor, and its results through the bounty of

God;—to preserve the marked distinction between labor and property, and also to preserve the just recompense of the labor which has created—Community and Property.

Bastiat has marked these two orders of phenomena: he has also described their relations, and their harmonious evolutions.

But he has left to others the task of showing their application to the practical purposes of the social government of mankind.

No one more than the Author wishes that this task had fallen into hands more capable than his. As already noticed, he had undertaken it long before the name of this great Master was known to him. But he entered on his further attempt to elucidate these views with renewed confidence, and he submits the present result with an assured conviction that there are not wanting, in this country, and in other countries, good and able men who will hold fast, and follow out, the great economical truth here advocated;—namely, that it is unjust and unwise to tax the laborer in his own labor, or the trader in his own trade, until he has realised the fair reward of his industry, and skill.

He too, like Bastiat, has "essayed to explain how the business of Property consists in conquering utility for the human race, and, casting it into the domain of Community, to move on to new conquests—so that each given effort, and consequently the aggregate of efforts, should continually be delivering over to mankind satisfactions which are always increasing."

But he has gone further. He has essayed to show how human services, fairly exchanged, while preserving their relative value, *may be made productive of an always increasing proportion of utility, which is gratuitous, and, therefore, common;* and that in this consists, what may be truly called, *progress*—the progress of a nation in

political prosperity and power, through the progress of the People in all that concerns their moral and physical welfare.

Let us now throw a glance back on the ground over which we have passed.

By the light of the theory, the foundation of which has been laid in this small volume, it may be seen:—

1. That the rights of all the classes, which compose the social state, are distinctly recognised, and preserved. That no existing *rights* are disturbed. That nothing is taken from one class to be given to another. But that the great providential arrangements, as far as we can see them, are observed, respected, and followed out.

2. That by following this great principle, of doing right to all, we get Justice to act with us, instead of against us. That we disarm envy, hatred, and malice—remove the stumbling-blocks to lawful authority, and good order—abate, if not destroy, hostility of classes, by uniting all in one common interest of public and individual good. That we raise the moral, as well as the physical, condition of the People, by encouraging the growth of self-respect, by independence, and industry, by succesful labor.

3. That we destroy smuggling, and diminish the inducements to drunkenness, adulteration of food, perjury, fraud and violence of many sorts, and raise the moral standard of the whole nation.

4. That by setting Trade and Industry free from all Taxes and other impediments, we shall increase the demand for our manufactures and natural products at home and abroad, and raise the rate of wages throughout the kingdom.

5. That we raise the rents and, consequently, the market price of all the Land and House Property of the kingdom, and greatly reduce the burden of the Poor Rate.

6. That we place this country on the best foundation for preserving the peace of the world.

These are some of the leading results to be confidently looked for from the practical application of the principle here laid down, and which may be described,—in a few words,—to be, setting free from all impositions and other impediments, Agriculture, Trade, Machinery, and Labor;—thereby acting in concurrence with the providential laws, which are constantly approximating "*towards a level which is always rising—in other terms;—Improvement and Equalization;*"—which Bastiat describes by the single word,—"HARMONY."

"Such"—he adds—"is the definitive result of the arrangements of Providence—of the great laws of nature when they act without impediment, when we regard them as they are in themselves, and apart from any disturbance of their action by error and violence."

Thus we may see the germ of all the *Social Harmonies* included in these two principles—PROPERTY, LIBERTY; and that all *Social* Dissonances are only the development of these two antagonistic principles—SPOLIATION, OPPRESSION.

In Liberty we have the principle of harmony.

In Oppression we have the principle of dissonance.

It is truly said by Bastiat:—"The struggle of these two powers fills the annals of the human race: and, as the design of Oppression is, to effect an unjust appropriation, it resolves itself into, and is summed up in, Spoliation.

"Man comes into this world bound by the yoke of Want, which is pain.

"He cannot escape from it, but by subjecting himself to the yoke of Labor, which is pain also.

"He has, then, only a choice of pains, and he detests pain.

"This is the reason why he looks around him, and when he sees that his fellow-man has accumulated wealth,

he conceives the thought of appropriating it. Hence comes false property, or Spoliation.

"From the day when it first made its appearance in the world, down to the day when it shall have completely disappeared,—if that day ever come,—this element has affected, and will affect, profoundly the whole social mechanism; it will disturb, and to the extent of rendering them no longer recognisable, those laws of social harmony which we have endeavored to discover and describe."

That day, probably, never will come in the present dispensation of this world; but our duty will not have been accomplished until we have made our laws, as far as we can, in conformity with those providential laws which, we may hope, will ultimately regulate the whole social mechanism.

The absolute absence of *evil* through human laws, is beyond our hope; but, in the gradual diminution of evil, we may not only hope, but look forward with assured confidence to such a result, when we make our human laws in consonance with the providential laws, which must ever work harmoniously, and with infallible power.

But, for this, it is of the utmost importance to have a right understanding of the limits of *human* laws:—to see clearly what is within, and what is without the true limits.

It is clearly within the true limits, as it is the especial duty of the State, to watch over and direct all that concerns the common welfare.

Seeing the deplorable dissensions of the theologians of all past ages, this seems to make evident the necessity of a State Religion; which without absolutely imposing, or interfering with, private creeds, should regulate all outward observances. Because, as it is the Office of the State to watch over all that concerns the common welfare, so should it watch over the Church, (which most of all concerns the common welfare,) and direct it

according to the general wish. But two things perfectly distinct must not here be confounded, namely;—liberty of observance, and liberty of thought. The latter is independent of all Civil power; but the former must be subject to it for the sake of the public tranquillity and welfare.

The chief duty of the State, or Government, is to direct all things according to the general wish; but to interfere as little as possible with anything. It is very doubtful whether Government interference with Education has not, from first to last, done more harm than good.

Government should never found Colleges, or Schools, for learning; Establishments for encouraging the Arts and Sciences; Hospitals, or other Charitable Institutions; for they serve more to discourage the efforts of individuals to those ends,—more to discourage private charity,—more to oppress than to encourage genius.

Government should *give* only by the free will of the People, and should give only as rewards for public services.

It is not the duty of a Government to administer charity out of funds raised by taxes on the People.

As Burke wisely said—"To provide for us in our necessities is not in the power of Government. It would be a vain presumption in Statesmen to think they could do it. The people maintain them, and not they the people. It is in the power of Government to prevent much evil; it can do very little positive good in this, or perhaps in anything else. It is not only so of the State and Statesmen, but of all the classes and descriptions of the rich—they are the pensioners of the poor, and are maintained by their superfluity. They are under an absolute, hereditary, and indefeasible dependence on those who labor, and are miscalled the poor. The laboring poor are only poor, because they are numerous. Num-

bers in their nature imply poverty. In a fair distribution among a vast multitude, none can have much. That class of dependent pensioners called the rich, is so extremely small, that if all their throats were cut, and a distribution made of all they consume in a year, it would not give a bit of bread and cheese for a night's supper to these who labor, and who in reality feed both the pensioners and themselves. But the throats of the rich ought not to be cut nor their magazines plundered because in their persons they are trustees for those who labor, and their hoards are the banking-houses of the latter."

Nor is it the duty of a Government to educate the People, or to teach them the Arts and Sciences.

But it is the duty of a Government to allow every individual to teach what he thinks, at his own risk and peril; though not to hold place in Church or State if he teach doctrine in either, contrary to the tenets thereof as declared by Law.

It is the duty of a Government to watch over the welfare of the People, and to encourage, by judicious assistance, all that can contribute to their welfare. Most especially is it the duty of Government so to provide that, all willing laborers may find the means of comfortable subsistence for themselves and families.

This part of Louis Blanc's creed is, undoubtedly, true: —"Wherever the certainty of living by labor does not follow from the very essence of social institutions, there iniquity reigns."

It is a great reproach to Governments when they require to be taught such a truth as this, and by such a man as this!

Anything which is calculated to lower the self-respect and degrade the character of a People, must tend to the injury of the Nation.

It is an incalculable injury to a People to make them objects of charity, when they are able and willing to pro-

vide for themselves and their families by their own industry and skill. Moreover, such a state of things is the highest injustice to the People, and the lowest shame to the Government.

Private charity never can supply the place of the wages of labor.

A providential law mercifully interposes to defeat any such attempt. It is not charity to make any such attempt.

Daniel De Foe saw this, and expressed many sound truths on the subject, in his own forcible way, in his Tract, entitled;—"Giving Alms no Charity, and Employing the Poor a Grievance to the Nation;"—published 1704.

Unjust and unwise laws have rendered it impossible to distinguish the true from the false objects of charity. Many of the rich are embittered in their possessions by the sight of the misery around them, and for their own relief, quite as much as for the relief of those whom they would help, they distribute their charity, as it is called, indiscriminately, amongst the deserving, and the undeserving. They are unable to distinguish—nobody can.

Some make work for the purpose of charity. But then the work,—if done at all,—is never well done,—never so well as when done for the wages of labor. It were better to give the money as charity. Some would then be ashamed to take it as such. Work, to be well done, must be paid for as work. Charity should be given as charity. When the wages of labor are confounded with charity, the independence of the laborer must be destroyed.

This is the effect of our system of filching the taxes out of the laborers' wages;—"a very easy form of plunder;"—vulgarly called '*chousing;*' but, aristocratically speaking, this might very properly be designated,—the 'Oligarchical System,'—or, the system of making the

many pay for the few. This is also called the 'Conservative System.' We have no very clear understanding of the meaning of the term 'Conservative,' but we may form a guess about it, from Dr. Newman's description.

"A Conservative, in the political sense of the word, means a man who is at the top of the tree, and knows it, and means never to come down, whatever it may cost him to keep his place there. It means a man who upholds government and society, and the existing state of things,—not because it exists,—not because it is good and desirable,—because it is established,—because it is a benefit to the population,—because it is full of promise for the future,—but, rather, because he himself is well off in consequence of it, and because to take care of number one is his main political principle."

Thus, for instance, the seven Members of Parliament,—who have just now voted, in their Select Committee, for preserving that most important portion of the great public road, about to be made, at a great public expense, on the Thames Embankment, between Westminster Bridge and Blackfriars Bridge;—for preserving that portion of the road at the back of that noble Mansion, called Montague House, just built, on Crown land, by the noble Duke of Buccleugh, and at the back of other Aristocratical mansions, including that modest and retired mansion of the modest and patriotic member for Stroud, and Ex-Secretary for Ireland, Mr. Horsman;—for preserving that important portion of public property, and the proposed great public improvement,—not for the public benefit, or convenience, but for the private benefit, or convenience, of the great Duke, and the great Ex-Secretary, and all the other great folk congregated in that aristocratical little nook, now on the mud-bank of the muddy Thames, but which, by the outlay of the People's money, is to be made a spacious terrace, by the side of the silvery stream;—these are Conservatives.

This is the "Conservative System," and these seven Members of Parliament are "Conservatives."

They are all 'Honorable Members,' and, no doubt, all honorable men. But are they the right men to serve the People in Parliament? Is any one of these seven men likely to trouble himself much about the convenience or welfare of the People?

The honorable member for Westminster, (not the honorable and gallant member) is one of these seven men.

Will the Electors of Westminster consent to be represented in Parliament by such a man as this, when their time comes again for answering this question?

What have the Electors of Westminster, or any other Electors to do with the motives of the man who comes and asks them for their confidence?—who comes and asks them to trust and try him?

Who but himself can know his motives?

These seven men have been trusted,—have been tried,—and have been found wanting,—wanting in common sense, or common honesty,—one or both, but, probably, one only, though both are essential requisites for a Representative of the People in Parliament, especially of such a City as Westminster, which has been for a long time,—some centuries at least,—counted one of the most influential, because one of the most enlightened, of the Cities of the Kingdom.

But this is only a little episode of an event passing whilst the pen is writing.

If we would master the ideal of a beneficent and judicious system of Public Finance, as the preliminary to all profitable insight into the defects of any particular system in actual existence, an apter illustration, perhaps, cannot be found, than in those vast and fertile tracts of land in the East, which owe all their fertility to artificial irrigation.

The tanks and reservoirs would represent the capital

of a nation; while the numberless rills, hourly varying their channels and directions under the laborer's spade, would give a pleasing image of the dispersion of that capital through the whole population, by the joint effect of taxation and trade. For taxation itself is a part of commerce, and the Government may be fairly considered as a great manufacturing-house, carrying on in different places, by means of its partners and overseers, the trades of the ship-builder, the clothier, the iron-founder, and the like. As long as a balance is preserved between the receipts and the returns of government in their amount, quickness, and degree of dispersion; as long as the due proportion obtains in the sum levied, to the mass in productive circulation; so long does the wealth and circumstantial prosperity of the nation (its outward prosperity), remain unaffected; or, rather, they will appear to increase in consequence of the additional *stimulus* given to the circulation itself, by the reproductive action of all large capitals, and through the check which taxation, in its own nature, gives to the indolence of the wealthy, in its continual transfer of property to the industrious and enterprising. If different periods be taken, and if the comparative weight of the taxes at each be calculated, as it ought to be, not by the sum levied on each individual, but by the sum left in his possession, the settlement of the account will be in favor of the national wealth, to the amount of all the additional productive labor sustained or excited by the taxes, during the intervals between their afflux, and their re-absorption.

But, on the other hand, in a direct *ratio* to this increase will be the distress produced by the disturbance of this balance, by the loss of this proportion; and the operation of the distress will be, at least, equal to the total amount of the difference between the taxes still levied, and the *quantum* of aid withdrawn from individuals

by the abandonment of others; not overlooking the further quantum which the taxes, that still remain, have ceased to give, by the altered mode of their dispersion. But to this we must add the number of persons raised and reared in consequence of the demand created by the preceding state of things, and now discharged from their occupations: whether the latter belong exclusively to the executive power, as that of soldiers, and the like, or from those in which the laborers for the nation in general are already sufficiently numerous. Both these classes are thrown back on the public, and sent to a table where every seat is pre-occupied. The employment lessens as the number of men to be employed is increased; and not merely in the same, but from additional causes; and, from the indirect consequences of those already stated, in a far greater *ratio*. For, it may easily happen that the very same change which had produced this dispersion at home, may, from equivalent causes, have embarrassed the countries in commercial connection with us. At one and the same time, the great customer at home wants less, and our customers abroad are able to buy less.

The conjoint action of these circumstances will furnish, for a mind capable of combining them, a sufficient solution of the melancholy fact. They cannot but occasion much distress, much obstruction, and these again, in their re-action, are sure to be more than doubled by the still greater and universal alarm, and the consequent check of confidence and enterprise which they never fail to produce.

Now, it is a notorious fact that, these causes have all existed to a very extraordinary degree, and worked with united strength, in this country, since the termination of the long war.

It was one among the many anomalies of that war, that it acted, after a few years, as a universal stimulant. We almost monopolised the commerce of the world.

The high wages of our artisans, and the high prices of agricultural produce, intercirculated. Leases, of no unusual length, not seldom enabled the provident and thrifty farmer to purchase the estate he had rented. Everywhere might be seen roads, railways, docks, canals, made, making, and projected; villages swelling into towns, while the metropolis surrounded itself, and became, as it were, set with new cities. Finally, in spite of all the waste and havoc of a twenty years' war, the population of the Empire was increased by more than two millions. The efforts and war expenditure of the nation, and the yearly revenue, were augmented in the same proportion; and to all this must be added the fact that, the war was at last brought to its conclusion by a concentration, or by a spasm of energy, and, consequently, by an anticipation of our resources.

We conquered by compelling reversionary power into alliance with our existing and natural strength. The first intoxication of triumph having passed over, this agony of glory was succeeded, of course, by a general stiffness and relaxation. The antagonistic passions came into play; financial solicitude was blended with constitutional and political jealousies, and both were exacerbated by personal imprudences, the chief injury of which consisted in their own tendency to disgust and alienate the public feeling. And, with all this, the financial errors and prejudices, even of the more educated classes, in short, the general want, or imperfection, of clear views and a scientific insight into the true effects and influences of taxation, and the mode of its operation, became now a real misfortune, and opened an additional source of temporary embarrassment. Retrenchment could no longer proceed by cautious and calculated steps, but was compelled to hurry forward, like one who, crossing the sands at too late an hour, finds himself threatened by the inrush of the tide. Nevertheless, it was a truth, susceptible of

little less than mathematical demonstration, that the more, and the more suddenly, the revenue was diminished by the abandonment of the war taxes, the greater would be the disturbance of the balance; so that the agriculturist, the manufacturer, and the tradesman,—all, in short, but annuitants and fixed stipendiaries,—who, during the war, having paid as five, had fifteen left behind, but shortly had less than ten, after having paid but two and a half. What was the pressure then placed upon the country, when, to all this, is added the operation of the return to cash payments in *pure* coin, of former intrinsic value, so as, in effect, to re-impose the amount of taxes nominally remitted, may be easily understood. And yet, under all this pressure, the prosperity and power of the nation has been increasing during the same period, with an accelerated force unprecedented in any country!

To a combination of many causes must this be attributed, but chiefly to vast resources brought into activity by the energy, labor, and skill of a multitude of enterprising individuals, encouraged and assisted by the timely relaxation of many of those bonds and fetters by which the trade and productive industry of the country had been bound down and restricted. By increasing and cheapening the food of the people, and leaving them more free to labor, and to produce, and thereby to accumulate new capital for further employment, and further enterprise, and thus increasing and extending the wealth and power of the Nation.

If the causes of the many and serious evils, here referred to, have been so far diminished in number, and mitigated in effect, by the adoption in practice of these new and improved principles of legislation, how great is the encouragement to proceed in the same line of improvement!

The universal practice, consequent on the present

system, of enhancing the sale price of every article subject to taxation, to remunerate the dealer for his advance of the amount of the tax in the first instance, calculated not only at the rate of trade profit, but also on the presumption of bad debts, and this additional per-centage repeated at each intermediate stage of its elaboration, and distribution, from the grower, or importer, or manufacturer, to the last retailer exclusively, is not one of the least operative evils inflicted on the whole community. Necessary, and, therefore, justifiable, as this plan of reprisal by anticipation may be in the case of each individual dealer, yet taken collectively, and without reference to persons, the system itself which not only authorises, but also renders necessary this sort of nondescript privateering is rather startling to an unfamiliarised conscience; and, by a curious anomaly, these exactions are not promiscuous, only because the letters of marque and reprisal, under this system, grant a free pass to the offending party.

Or, if the law-maxim, *volentibus non fit injuria,* be applicable in this case, it may, perhaps, be described more courteously, as a benefit society of all the careful and honest men in the kingdom, to pay the debts of the dishonest, or improvident. It is mentioned here, however, as one of the inevitable consequences of the present system of laying the taxes on things in common use for the daily necessaries of life, and as one of the principal appendages to the twin paramount causes, the present state of the currency, and the national debt, and for the sake of the conjoint results. If we would learn what these results are, we may see them in the multitudes of workmen in the streets of London without work; in the country, a peasantry sinking into pauperism, step for step with the rise of the farmers' profits and indulgencies.

Fluctuation in the wages of labor, alternate privation

and excess (not all at the same time, but successively in each) consequent improvidence, and, over all, discontent, and a system of factious confederacy; these form the history of our cities, towns, and country.

On the side of the landlord and his compeers, the presence of the same causes are attested by answerable effects. Great as their effects were on the increase of prices in the necessaries of life, they were still greater in all articles of show and luxury. With few exceptions, it became difficult, and at length impracticable, for the gentry of the land, for the possessors of fixed property, to retain the rank of their ancestors, or of their own former establishments, without joining in the general competition for sudden and inordinate gains. The temptation of obtaining more than the legal interest for their principal, became more and more strong with all persons who, neither trading, nor farming, had lived on the interest of their fortunes. It was in this class that the rash and, too frequently, the unprincipled projector found his readiest dupes. The secret history of too many of the joint stock speculations, only in the vicinity of the metropolis, would supply an afflicting, but instructive, comment.

Not that these were results of an increased *momentum* in the spirit of trade, but of the system which restricted trade, and impeded it in its natural channels, by artificial obstructions, thereby forcibly diverting it into unnatural channels, where it soon dried up, leaving only a sandy and desert waste, with little or nothing of a fertilizing deposit; and, so far from extending, checking the commercial spirit of the nation, and, at the same time, as a necessary consequence, depressing the agricultural.

Many and great have been, and are, the afflicting evils of this country, but so greatly have all these been aggravated by the operation of our revenue laws, reflected in the habits and tendencies of the people, and of the

working classes especially, that here, it may be truly said, is the groundwork of our national calamity, and the main predisposing cause of most of our past and present distresses.

If the spirit of commerce were only now set free, she would carry such healing on her wings, that past errors would soon be forgotten, and afflictions would be remembered no more.

But if the wings be shortened and confined by a much longer continuance of the present system of clipping and restraining, the power of rising may be lost for ever, and blessings, in the abundance of Nature, may then come too late to avert calamity ruinous to all. Princely capitals will still be accumulated, but these will be but as telegraphs of coming troubles,—of the return of those times of frequent failure, with all the disgraceful secrets of fraud and folly, of unprincipled vanity in expending, and desperate speculation in retrieving; when bankruptcies spread like a fever, at once contagious and epidemic; when no man's treasure is safe who has adopted the ordinary means of safety, neither the high, or the humble; when the lord's rents, and the farmer's store, entrusted, perhaps, but as yesterday, are asked after at closed doors!—but, worst of all, in its moral influences, as well as in the cruelty of suffering; when the old laborer's savings, or, as Coleridge expressively, and truly, calls them—"the precious robberies of self-denial from every day's comforts;" when the orphan's funds, the widow's livelihood, the fond confiding sister's humble fortune, are found among the victims to the remorseless mania of dishonest speculation, or the desperate cowardice of embarrassment; to the drunken vapor of a usurious selfishness which, for a few months' respite, dares incur a debt of guilt and infamy for which the grave itself can plead no statute of limitation.

This is the character which Milton has so philosophi-

cally, as well as sublimely, embodied in the Satan of his "Paradise Lost."

Alas! too often has it been embodied in real life. Too often has it given a dark and savage grandeur to the historic page. And, whenever it has appeared, under whatever circumstances of time and country, the same ingredients have gone to its composition; and it has been identified by the same attributes, so forcibly described by Coleridge as "Hope in which there is no cheerfulness; steadfastness within, and immoveable resolve, with outward restlessness and whirling activity; violence with guile; tenacity with cunning; and, as the result of all, interminableness of object, with perfect indifference of means."

"But,"—as Coleridge asks,—"by what means can the lower classes be made to learn their duties, and urged to practise them? The human race may, perhaps, possess the capability of all excellence, and Truth is omnipotent to a mind already disciplined for its reception; but, assuredly, the over-worked laborer, skulking into an ale-house, is not likely to exemplify the one, or prove the other. In that barbarous tumult of inimical interests which the present state of society exhibits, *Religion* appears to offer the only means universally *efficient*. The perfectness of future men is, indeed, a benevolent tenet, and may operate on a few visionaries, whose studious habits supply them with employment, and seclude them from temptation. But a distant prospect which we are never to reach, will seldom quicken our footsteps, however lovely it may appear; and a blessing, which not ourselves, but *posterity*, are destined to enjoy, will scarcely influence the actions of *any*—still less of the ignorant, the prejudiced, and the selfish."

"Go preach the Gospel to the poor." By its simplicity it will meet their comprehension, by its benevolence soften their affections, by its precepts it will direct

their conduct, by the vastness of its motives ensure their obedience.

But, the first object of man is to supply his *pressing wants*:—to provide food:—to protect himself amidst the war of the elements. In his savage state no knowledge is valuable to him, but the knowledge connected with his common appetites.

The savage of Avignon regarded not the noise of the multitude in the streets of Paris, but he was roused in a moment by the *cracking* of a *nut*, or the *murmuring* of *vater*.

The situation of the poor is perilous: they are, inleed, both "from within and from without *unarmed* o all temptations." Prudential reasonings will generally e powerless with them; for the incitements of this vorld are weak, in proportion as we are wretched. They, oo, who live *from hand to mouth* will most frequently ecome improvident. Possessing no *stock* of happiness, ıey eagerly seize the gratifications of the moment, and ıatch the froth from the wave as it passes by them. For is the desolate state of their families a restraining ıotive, unsoftened as they are by education, and beumbed into selfishness by the torpedo touch of extreme ant. Domestic affections depend on association. We ve an object if, as often as we see or recollect it, an greeable sensation arises in our minds. But, alas! how ould he glow with the charities of father and husband, ıo, gaining scarcely more than his own necessities mand, must have been accustomed to regard his wife d children, not as the soothers of finished labor, but rivals for the insufficient meal! In a man so circumınced, the tyranny of the *present* can be overpowered ly by the ten-fold mightiness of the *future*. Religion ll cheer his gloom with her promises, and, by haıating his mind to anticipate an infinitely great olution hereafter, may prepare it even for the sudden

reception of a less degree of amelioration in this world.

But, if we would confer this spiritual and mental benefit, we must not neglect the physical and bodily welfare. We must not make the free gift of the spiritual remedy an excuse for withholding what is due to the bodily maintenance and comfort.

If the revenue laws were but half as productive of money to the State, as they are of guilt and wretchedness to the people, there might then, perhaps, be the miserable ground of sad necessity for their further continuance. But, if this mode of raising revenue be attended with greater loss in actual money, than the whole amount raised, and if all the consequent guilt and wretchedness to the people be an addition to this loss, then, indeed, is this system an absurdity, as well as a shame and disgrace to the nation which continues it; and it is a mockery to tell people who are thus deprived of all worldly comforts by unjust laws, that they have the comforts of religion.

The happiness of mankind is the *end* of virtue, and truth is the knowledge of the *means*; which he will never seriously attempt to discover who has not habitually interested himself in the welfare of others. The searcher after truth must love and be beloved; for general benevolence is begotten and rendered permanent by social and domestic affections. Let us beware of that proud philosophy which affects to inculcate philanthropy, while it denounces every home-born feeling by which it is produced and nurtured. The paternal and filial duties discipline the heart and prepare it for the love of all mankind. The intensity of private attachments encourages, not prevents, universal benevolence. The nearer we approach to the Sun, the more intense his heat; yet what corner of the system does he not cheer and vivify?

We cannot inculcate on the minds of each other too often, or with too great earnestness, the necessity of cultivating benevolent affections. We should be cautious how we indulge the feelings of even virtuous indignation. We should remember that vice is the effect of error, and the offspring of surrounding circumstances; the object, therefore, of condolence, not of anger. But to make it spread from the understanding to the affections, to call it into action not only in the great exertions of patriotism, but in the daily and hourly occurrences of social life, requires the most watchful attentions of the most energetic mind. It is not enough that we have once swallowed these truths—we must feed on them, as insects on a leaf, till the whole heart be colored by its qualities, and show its food in every the minutest fibre.

But what have we done, and what are we doing?

We have made our laws, and regulated our lives, in the knowledge of evil, instead of in the wisdom of love, and truth, and justice. We have turned away from Divine guidance, to follow our own theories, formed on our own narrow and selfish views. We have kept out of view all that is most beautiful, and have held fast to that which is most crooked and deformed. We have neglected to read, and to learn, even from the Book of Nature spread open before us.

The bud which never opens to the sun and to the rain, never flourishes as a flower. Nature has provided the cup to receive and to hold the fertilizing dew-drop. Has Nature been less provident to the human being than to the flower of the field? Nature is as impartial, as bountiful. It is man alone who has prevented the sun from shining, and the rain from falling, equally on all. It is man alone who prevents the bud from opening to the sun and to the rain, and prevents the cup from receiving the fertilizing dew-drop; and the flower of human life withered in the bud, is man's work alone!

This state of things cannot go on for ever. Nature will work the change for us for the worse, if we do not ourselves make it work for the better.

If the People would unite and take counsel together, and with moral fortitude and national faith,—with patriotic loyalty and with universal benevolence,—would make their appeal to the Government of the Country, for the removal of these most obnoxious and injurious revenue laws, and the substitution of a more open, just, and simple system for the due provision of the proper means, and maintenance of the necessary powers of the State; if the land-owners would consider themselves as holding offices of trust, with duties to be performed in the sight of God and their Country, and would concern themselves in the moral training, as well as in the education, of their natural dependents; and if the manufacturers and traders, and all the other working classes, would concern themselves with their own separate and peculiar duties, and learn to appreciate the honor due to their respective callings by the faithful fulfilment of their duties,—then may the People of all classes rely upon the promise of the King of Kings, by the mouth of His Prophet:—

"Blessed are ye that sow beside all waters."

Readers who have in their recollection the writings of that great Moral Philosopher, Coleridge, will recognize in some of the foregoing observations his thoughts, and expressed often in his own words, when these could be properly applied, though sometimes in a manner more or less different from their original application. For, however abounding in high thoughts was that highly gifted man, and however rich in varied and expressive language;—however many he may have helped to make distinguished writers on Political Economy, he will himself, in these days, hardly be regarded as an authority

on that subject. But honor to his memory, who taught many of the best and greatest men of his day to think and to reflect, and whose name,—as long as men are able to appreciate the noblest qualities of the human mind when directed to the highest aim,—will be held in grateful remembrance by his Countrymen!

There is in the character of the British People good ground to hope that they will, by timely reforms, prepare for the changes which time must, of necessity, bring, and that time is, probably, much nearer than many suppose.

By placing the Government of the Country on the basis of sound principles, those changes, we may confidently hope, will raise the nation to a higher position of prosperity and power than it has ever yet reached.

The basis will then be a much nearer approach, than it has ever yet been, to truth and justice, and then we may hope to see carried out in practice, more nearly than we have ever yet seen, the Divine command, "Do UNTO OTHERS AS YOU WOULD THEY SHOULD DO UNTO YOU."

The People will then be found to be the best supporters of the Government, by a new and willing obedience, which will then be yielded from a sense of self-interest, as well as duty, and self-respect. Of this we may be sure;—"that whatever will lighten the burden of existence, and prevent the necessity for the now never ceasing struggle for mere life, will give both mind and heart breathing time to contemplate and yearn after the real life to come. He who exists only to toil, must be absorbed in the present. For him the future can have but little charm, or little terror. It is ordained that man shall live by the sweat of his brow, not that he shall die under it."*

* These words, in inverted commas, were written in Bethlehem Hospital, by a Gentleman, and Scholar, who has been confined

With all the mighty preparations for great changes now passing before our eyes, it were folly to suppose that men's misgovernment will much longer be permitted to counteract the intended good.

When it is found, as it surely will be, that the only true and lasting interests of mankind are one and the same, the human races will gradually merge into each other, and though each nation may still preserve its own nationality and language, yet these will no longer be barriers for separation:—a common interest will bind all together, as one Nation, and one People, for their common good, and then the rulers and the ruled, masters and servants, of every order and degree, will learn that their own welfare is so intimately bound up with, as to be, in a great measure, dependent upon, the welfare of those who are placed above, or under, or around them. Then mankind will begin to see, more clearly than they have ever seen before, the folly of their own selfishness.

there for some years, as a Criminal lunatic, for depriving his wife of life in a paroxysm of madness. He was devotedly attached to her, and destroyed her life under the insane terror of a greater evil befalling her.

The writer, who has on several occasions seen this Gentleman in his present confinement, believes him to have been long ago perfectly restored to reason, but he is still confined in Bethlehem Hospital as a Criminal Lunatic. He has been throughout most kindly and tenderly treated by Dr. Hood, the eminent Physician at the head of that most munificent National Establishment, which stands unrivalled in the world. But the unfortunate Gentleman is still a prisoner. If he be restored to reason, he ought to be restored to liberty. This is a question which demands inquiry, to save from deep reproach the Queen's advisers. Charles Lamb's sister, in a paroxysm of madness, destroyed the life of her own mother. But his sister was not deprived of her liberty for the remainder of her life. When restored to reason she was restored to her Brother, and they lived together for many years afterwards, to their mutual solace, universally honored and respected by hosts of friends, and all others who enjoyed the great pleasure and profit of their acquaintance.

Then they will begin to learn, and to appreciate, the blessings of freedom in every form, and to distinguish between lawful liberty, and unlawful licence. Then, though we know that the poor will always be with us, destitution to those who are able and willing to work, will be unknown in the land; for, there will then be a more equal distribution of the good things of this world, so bountifully provided, and so mercifully intended, for the use of all.—"Sufficient unto the day is the evil thereof,"—was never meant to recommend waiting for the day of evil, if it might be averted. There is the calmness of energy, as well as the quiescence of idiotcy. There is danger in change, but there is also safety in change. The rising tide may overwhelm the unwary wanderer on the sea-shore, but the ebbing tide may wreck the ship upon the sunken rock.

All things are for ever changing; but change is not necessarily innovation. On any great change proposed, we are all accustomed to hear the cry—"No Innovation!"

To say that new things are bad, is to say that all old things were bad at the commencement; for, of all old things ever seen or heard of, there is not one that was not once new. Whatever is now established was once innovation. The first inventor of Juries must, in his day, have been considered a pestilent fellow. Many must remember that description once so frequently applied to Rowland Hill for his invention of the Penny Postage Stamp. Nearly all the inventions of men of genius once filled the world with alarm, and were considered the great precursors of ruin and dissolution.

But this remark is nothing new. More than half a century ago,—Sydney Smith wittily wrote:—"No pews, no parish clerks, no vaccination, no turnpikes, no reading, no writing, no popery! The fool sayeth in his heart, and crieth with his mouth,—"I will have nothing

new!"—There is not one single source of happiness, against which this class has not uttered the most gloomy predictions. Turnpike roads, navigable canals, railways, hops, tobacco, the reformation, the revolution—there are always a set of worthy and moderately gifted men, who bawl out death and ruin upon every valuable change which the varying aspect of human affairs absolutely and imperiously requires. There is in the words of these feeble friends to virtue and improvement, an imaginary period for the removal of evils, which it would, certainly, be worth while to wait for, if there were the smallest chance of its ever arriving—a period of unexampled peace and prosperity, when a patriotic sovereign and an enlightened people shall unite their ardent efforts for the amelioration of human affairs! But the history of human nature is so contrary to all this, that almost all improvements are made after the bitterest resistance, and in the midst of tumults and civil violence—the worst period at which they can be made,—compared to which any period is eligible, and should be seized hold of by the friends of salutary reform. What human plan, device, or invention, 300 years old, does not require alteration? If a man dressed now as men dressed 300 years ago, the dogs in the street would tear him to pieces. If he lived in the houses of 300 years ago, unaltered and uncorrected, he would die of fever or rheumatism in a week. If he listened to the sermons of 300 years ago, he would perish with sadness and fatigue; and when a man cannot make a coat or a cheese for 100 years together, without making them better, can it be said that laws made in those days of ignorance, and framed in the fury of religious hatred, need no revision, and are capable of no amendments?

"A hundred years, to be sure, is a very little time for the duration of a national error; and it is far from reasonable to look for its decay at so short a date.

Whoever, speaking of human affairs, talks of unalterable laws, may be set down as an unalterable fool. But, in the affairs of State, the folly of deferring the reform of a crying evil, is like the case of a man who has a wound in his great toe, and a perilous fever at the same time; and he refuses to take the medicines for the fever, because he thinks it bad for his toe! The mournful folly-stricken blockhead forgets that his toe cannot survive him—that if he die, there can be no life apart from him: yet he lingers fondly over this last part of his body, soothing it with little plaisters and fomentations, while the neglected fever rages in his entrails, and burns away his whole life. To lie by, in timid and ignorant silence, and to neglect a regular and vigorous appeal to public opinion, is to give up all chance of doing good, and to abandon the only means by which the few are prevented from ruining the many." These are some of the wise and witty sayings of Sydney Smith, upwards of fifty years ago.

There was in that man, and some few others of our own past time, a strength and a truth that made one feel as if they were standing between two worlds; amid the ruins of an older age; upon the threshold of a new one. The same thought has been somewhere expressed by the Rev. Charles Kingsley, something in this way—'Men feel that they are no longer in the beginning of the end, but in the end itself, and that this long prologue to the reconstruction of rotten Europe is played out at last, and the drama itself begun.'

Coleridge somewhere declares that the new can only assume a living form, by growing mechanically out of the institutions: And the two well-known lines of Keats declare:—

> "These things too are eternal:
> A thing of beauty is a joy for ever."

Though the effects of the change here advocated would,

undoubtedly, be very great, yet the change itself would be, simply, a return to a very old practice, founded on a just and constitutional principle.

It is, therefore, not like an experiment to be tried in ignorance of the result. The result is already well known from experience; and, what is even still more remarkable, the principle, in theory, is universally approved of. But, though admitted to be true in principle, it is said, it would not now work well in practice. But,—Who says so?—And, why not? Who comes forward with definite objections, open to definite answers? Nobody. And yet, very eminent men have come forward to maintain this principle, and to recommend it in practice.

Such an advocate as M. Turgot,—so eminent as a Statesman, a Financier, and a Political Economist,—might well suffice for all.

And our own Adam Smith,—who may be said to have been his pupil,—has confirmed him on all material points. But to us—in these days—what are all that ever wrote on this subject, in comparison with Bastiat?

It is strange that, with such Masters, we have made so little advance in carrying out in practice the principles of good government.

It is not pretended that, the Scheme of Taxation here presented is complete in all details. It purports only to be a simple Outline of a Practical Scheme, in conformity with sound principles, which always have been, and always must be, true; and which must, therefore, be equally applicable to all times, and to all nations; but, subject always to changes in details according to times and circumstances.

The settlement of the details is the peculiar province of the Government which enjoys the confidence of the People.

But not so of the principle.

The settlement of that question is the peculiar province

of the People; and to carry out in practice, what they have settled in principle, is the duty of the Government.

It is weakness to wait for the Government, in anything which concerns principle. What great principle that has ever been established in this country,—or, perhaps, in any other,—originated with the Government? Has any great principle, for the benefit of the People, ever been established that has not been, at first, opposed by the Government?

But, as before stated, the chief duty of the State, or Government, is to direct all things according to the general wish, and to interfere as little as possible with anything.

The proper purpose or end of a political government, or the purpose or end for which it ought to exist, is the greatest possible advancement of human happiness. If, then, the welfare of mankind be the proper object of a government, it commonly ought to consult directly and particularly the welfare of the particular community committed to its rule.

It is impossible to show that the general and particular ends conflict. Universally the ends are perfectly consistent, or, rather are inseparably connected. An enlightened regard for the common happiness of nations, implies an enlightened and universal patriotism.

If a people were adequately instructed or enlightened, the habitual obedience to its government which was rendered by the majority, would arise exclusively from reasons founded on supposed general benefit. Their conviction or opinion to this effect would be their motive to obey. If their conviction or opinion were to an opposite conclusion, a fear that the evil of resistance might be greater than the evil of obedience, would be their inducement to omit.

But they would not persist in their obedience to a government which they deemed imperfect, if they thought that a better government might probably be got by re-

sistance, and that the probable good of the change outweighed its probable mischief.

Since the people of all nations are inadequately instructed or enlightened, the obedience to its government which is rendered by the majority, is partly the consequence of habit, and partly the consequence of prejudices: meaning by 'prejudices,' opinions and sentiments which have no foundation whatever in the principle of general utility, or benefit.

But though that habitual obedience be partly the consequence of custom, or partly the consequence of prejudices, still it partly arises from a reason founded on the principle of utility. It partly arises from a preference, by the majority, of one government to another government, or of any government to anarchy. They detest the established government, but they detest another government more; and if they would change it, for one of their own selecting, by resorting to open resistance, they must attain their object through an intervening anarchy, which they detest still more.

The only general cause of the *permanence* of political governments, and of the *origin* of political governments, are very nearly or exactly alike. Though every government has arisen in part from specific or particular causes, almost every government must have risen in part from the general cause before noticed.

The permanence and origin of every government are owing to the people's *consent:* that is to say, every government continues through the *consent* of the people, or the majority of the political community: and every government arises through the *consent* of the people, or the majority of the natural society from which the political is formed.

Now the permanence of every government depends on the habitual obedience which it receives from the majority of the community. For if the bulk of the commu-

nity were fully determined to destroy it, and to brave and endure the evils through which they must pass to their object, the power of the government itself with the power of the minority attached to it, would scarcely suffice to preserve it, or even to retard its subversion. But all obedience is *voluntary* or *free*, or every party who obeys *consents* to obey. In other words, every party who obeys *wills* the obedience which he renders, or is determined to render it by some *motive* or another.

Since, then, a government continues through the obedience of the people, and since the obedience of the people is voluntary or free, every government continues through the *consent* of the people, or the bulk of the political society.

The position, therefore, "that every government continues through the people's *consent*," merely amounts to this: That, in every society political and independent, the people are determined by motives of some description or another, to obey their government habitually: and that, if the bulk of the community ceased to obey it habitually, the government would cease to exist.

But that the majority of every community approve of the established government, or prefer it to every government which could be substituted for it; and that they consent to its continuance, or pay it habitual obedience by reason of that their approbation, or by reason of that their preference;—as thus understood,—the position is ridiculously false: the habitual obedience of the people, in most or many communities, arising wholly or partly from the fear of the probable evils which they might suffer by resistance.

With this meaning, the position amounts to this: that, if the bulk of a community dislike the established government, the government *ought* not to continue: or, the government therefore is bad, and the general good of the community requires its abolition. And, if every

actual society were adequately instructed, or enlightened, the position, as thus understood, would approach nearly to the truth.

But, in every actual society, the People are uninstructed in sound political science; and pains have been taken by the goverument, or by the classes that influence the government, to exclude the bulk of the community from sound political knowledge; or, what is the same thing, to prevent them from acquiring it, by keeping them in a low and degraded position, and thus to perpetuate or prolong the prejudices which weaken and distort their understandings.

Every society, therefore, is inadequately instructed or enlightened: And, therefore, the love or hate of the people towards their established government would scarcely beget a presumption that the government was good or bad. An ignorant people may regard their established government, though it totally disregards their clearest rights, and most essential interests. So an ignorant people may disregard their established government, however much and wisely it labors for their general welfare. This melancholy truth was strikingly exemplified in the dislike of the French people to the ministry of Turgot. They stupidly thwarted the measures of their wisest and best friend, and made common cause with his and their worst enemies. They led to their own destruction.

But if the People may lead to their own destruction, they may, by pursuing an opposite course, lead to their own great good. Such a course would be by preparing themselves for the reception of sound political wisdom, and having attained to this, the expression,—"that every government arises and is maintained through the people's *consent*," would carry with it a great deal more meaning than it does now. It would then very soon be discovered, that no government could arise and be maintained, which did not first consult the People's true welfare.

It is not necessary, for the present purpose, to carry these views further. The intelligent reader will hardly fail to understand what is here meant to be conveyed; though some weak minds will, no doubt, imagine evil which is neither expressed, nor intended. But those readers who wish to extend their inquiries into this important subject, should make a careful study of it in that profound and valuable Work of the late Mr. John Austin, entitled—"The Province of Jurisprudence Determined."

Now, let us take a parting glance at this "Practical Scheme," which some would defer till approved of by the Government; and many more would defer for ever; and about which the People, whom it most concerns, yet know little or nothing.

It will be seen by readers who have arrived thus far, that the main design, and merit, (if any,) of this Scheme is,—a just and equal distribution of the State burden upon the realised property of the kingdom; and an equal contribution by all householders,—on a limited scale in proportion to the scale of their houses,—in return for the protection extended to them by the State, its laws and regulations, for the preservation of the rights of person and property.

This latter contribution might, perhaps, have been more equally levied by a uniform Capitation Tax. But Poll Tax being almost universally objected to, must be regarded as impracticable; and a consequence of this,—namely, that Lodgers escape the contribution,—must be regarded as inevitable. But this seems to be of little consequence: at any rate, it is a matter of detail only, involving no principle. Of the few who will thus escape, the chief part will be of the poorest; though some will be of the richest, but the injury to any, through this exemption, will be so small as to be scarcely appreciable; and if the just and constitutional privilege proposed to

be attached to the position of the householder, be adopted, it may, with many, operate as a laudable and beneficial inducement to greater industry and prudence, and thus compensate largely for the actual or supposed injury from the exemption.

With regard to the principle, put forward by some Writers as the basis of any plan of taxation,—that a man should pay to the State in proportion to the benefit which he derives from it;—this seems to be one of those Utilitarian theories which it must be impossible ever to carry out in practice. If the benefit be the protection of life and property, as usually stated, these services seem to admit of no precise and uniform measure of valuation. To say that the service rendered in the protection of property varies with the value of the property, is manifestly an unfounded assumption. It seems to be, and certainly ought to be, more nearly true to say that the State yields precisely the same protection to every man in it; and if so, it would seem to follow that the State should require an equal sacrifice from every man in it. Such equality, we say, is obtained, not by a contribution of the same sum, but of the same share of his realised property from every tax-payer.

It is manifestly one of the many absurd inconsistencies of the Income Tax, that it discourages the accumulation of capital, or savings, by taxing the income twice over. Thus,—if a person having an income of £1000 a year, save £500, and spend £500, he pays the tax on the £1000, and the £500 saved he invests, *minus* the tax. But he pays the income tax again on the amount invested. The produce is thus *doubly* reduced; in the first place by a reduction of the capital, and in the second place by a tax upon the returns. If there had been no income tax, he would not only have escaped the income tax on the new revenue, but the new revenue would have been greater by the amount deducted for the tax,

and, therefore, it is said, he has been taxed twice for the same thing. Thus, every person who saves out of his income, and invests his saving, and pays income tax on the returns, pays the tax twice on his saving. He cannot both spend the income and save it; but he is taxed as if he did both; he is taxed on it, in the first instance, as if he had spent it, and he is taxed again on the produce which he does spend. He is taxed as if he used it for both purposes, but he can use it only for one, though he may use it for either.

This is a glaring injustice, and an egregious absurdity; and it must be opposed to public policy too, because the portion which is taxed twice is just the portion employed as public policy would encourage its employment. It is liable to the same objection, in some degree, as that which applies to a graduated property tax, the great injustice of which is that, by sparing the prodigal, and taxing the saving, it is a punishment for economy, and a reward for extravagance. So is the present income tax; since, whoever saves part of his income, pays on that part double the tax he would have paid if he had spent it.

Mr. J. S. Mill concurs in this view, and such is the substance of his evidence on this point before Mr. Hubard's Committee on the Income Tax. [No. 3578 to 3581.]

But this is only one of the many ways of stating the objections to an Income Tax, and it is obvious that this injustice is one of the many evils incident to an Income Tax, which it is impossible to remove, without letting in other and, perhaps, greater evils.

Mr. J. S. Mill thinks that an Income Tax, in its practical incidence, ought to fall only on expenditure. [No. 3584.]

But he goes farther, and says:—"I think that every tax, in so far as it is levied upon anything but expenditure, does sin against first principles."

This seems to bring all our existing taxes into a sinful state, nor is it easy to see what tax could be imposed which would not sin against first principles, whatever those principles may be.

But, great as is this authority,—and, perhaps, there is no greater living,—yet, until Mr. Mill show us how to levy an Income Tax, or any other tax, without committing this sin, we must continue to regard his suggestion as a Laputan, or Utopian, idea.

Bad as the Income Tax is, it is not easy, if possible, materially to amend it. This the would-be reformers of the Income Tax have already experienced. But, still, Mr. Mill's illustration of injustice and absurdity, in the case before given, is not quite so unjust or absurd as he would make it appear to be. It is both unjust and absurd, but not so much so on his ground of '*twice taxed*,' as on the ground that, *as income* it ought never to have been taxed at all. If an Income Tax is to be maintained, —and, we say, it never ought to be,—it must be admitted that, income must be taxed: and if a portion of that income be saved, and thereby be converted into capital producing income, by the same reasoning *that* income must be taxed also. Such a tax may properly be called an Income and Property Tax; but, whatever called, still Income must be taxed, and that is just what is taxed. That portion which is said to be taxed twice over, is not taxed twice over as '*the same thing*;' for, before the second tax is levied, that which was income, has become capital, distinguished from income; and the second tax is taken upon the produce, which then is income. This is an injustice and absurdity, and it is also impolitic, but it is not inconsistent. It would be inconsistent if it were as Mr. Mill, and others, would have it. But how to make it work as they would have it, they do not tell.

Now, in the scheme of taxation here presented, this

difficulty, and many other difficulties, are avoided. It is said, and though it has been often answered, many will go on saying the same thing,—that a greater difficulty and a much stronger objection here arises, in the large number of persons of ample means who will avoid all taxation. But we maintain that, it is much less injurious to the State that they should escape all taxation, than that others should be unjustly and injuriously taxed; and we admit that we do not know how to tax them without committing greater injustice and injury to the State and to individuals. We maintain that the injustice and injury, if any, can be only on the supposition that, the escape from taxation of those who do escape, will impose a heavier taxation on those who pay; but we say that, this will be so small in amount as to be inappreciable; and that by imposing a tax on those who ought not to be taxed; or, who cannot be taxed consistently with the principles here laid down, much greater loss and injury will thereby be inflicted on the State, and on all the individuals in it.

This position we have endeavored to establish, and, we think, we have established, in these pages.

It has been urged as a great objection to this scheme, that it imposes upon Land too large a portion of the State burden, considering the heavy local burdens already supported by land.

This objection, though often answered in these pages, will, probably, continue to be urged by many land-owners, but what if the charge be true?

As Turgot saw, in his time, and said:—"The earth was ever the first and the only source of all riches: it is that which has afforded the first fund for advances, anterior to all cultivation."

Again:—"The person who invests his money in land let to a solvent tenant, procures himself a revenue which gives him very little trouble in receiving, and which he

may dispose of in the most agreeable manner, by indulging all his inclinations. There is a greater advantage in the purchase of this species of property, than of any other, since the possession of it is more guarded against accidents. We must, therefore, purchase a revenue in land at a higher price, and must content ourselves with a less revenue for an equal capital."

Again:—"He who lends his money on interest, enjoys it still more peaceably and freely than the possessor of land, but the insolvency of his debtor may endanger the loss of his capital. He will not, therefore, content himself with an interest equal to the revenue of the land which he could buy with an equal capital. The interest of money lent, must consequently be larger than the revenue of an estate purchased with the same capital; for if the proprietor could find an estate to purchase of an equal income, he would prefer that."

Again:—"By a like reason, money employed in agriculture, in manufactures, or in commerce, ought to produce a more considerable profit than the revenue of the same capital employed in the purchase of lands, or the interest of money on loan: for these undertakings, besides the capital advanced, require much care and labor, and if they were not more lucrative, it would be much better to secure an equal revenue, which might be enjoyed without labor. It is necessary then, that, besides the interest of the capital, the undertaker should draw every year a profit to recompense him for his care, his labor, his talents, the risk he runs, and to replace the wear and tear of that portion of his capital which he is obliged to invest in effects capable of receiving injury, and exposed to all kinds of accidents."

Again:—"The different uses of the capitals produce very unequal profits; but this inequality does not prevent them from having a reciprocal influence on each other, nor from establishing a species of equilibrium

among themselves, like that between two liquors of unequal gravity, and which communicate with each other by means of a reversed siphon, the two branches of which they fill; there can be no height to which the one can rise or fall, but the liquor in the other branch will be affected in the same manner."

Again:—"Real estates are equivalent to any capital equal to their annual revenue, multiplied by the current rate at which lands are sold. Thus, if we add the revenue of all lands, viz. the clear revenue they render to the proprietor, and to all those that share in the property, as the lord that levies a rent, the curate that levies the tythe, the sovereign that levies the tax; if we should add all these sums, and multiply them by the rate at which lands are sold, we should have the sum of all the wealth of a nation in real estates. To have the whole of a nation's wealth, the moveable riches ought to be joined, which consist in the sum of capitals converted into enterprises of culture, industry, and commerce, which is never lost; as all advances, in any kind of undertaking, must unceasingly return to the undertaker, to be unceasingly converted into enterprises, which without that could not be continued. It would be a gross mistake to confound the immense mass of moveable riches with the mass of money that exists in a State; the latter is a small object in comparison with the other. To convince one's self of this, we need only remember the immense quantity of beasts, utensils, and seed, which constitute the advances of agriculture; the materials, tools, moveables, and merchandises of every kind, that fill up the work-houses, shops, and warehouses of all manufacturers, of all merchants, and of all traders, and it will be plain, that in the totality of riches either real or moveable of a nation, the specie makes but an inconsiderable part: but all riches and money being continually exchangeable, they all represent money, and money represents them all."

Again:—"We must not include in the calculation of the riches of a nation the sum of lent capitals; for the capitals could only be lent either to proprietors of lands, or to undertakers to enhance their value in their enterprises, since there are but these two kinds of people that can answer for a capital, and discharge the interest: a sum of money lent to people that have neither estate nor industry, would be a dead capital, and not an active one. If the owner of land of £400,000 borrow £100,000, his land is charged with a rent that diminishes his revenue by that sum. If he should sell it; out of the £400,000 he would receive, £100,000 are the property of the creditor. By these means the capital of the lender would always form, in the calculation of existing riches, a double estimate. The land is always worth £400,000, when the proprietor borrows £100,000 that does not make £500,000, it only follows, that in the £400,000, one hundred thousand belongs to the lender, and that there remains no more than £300,000 to the borrower.

"The same double estimate would have place in the calculation, if we should comprehend in the total calculation of capitals, the money lent to an undertaker to be employed in advance for his undertaking; it only results that that sum, and the part of the profits which represents the interest, belongs to the lender. Let a merchant employ £10,000 of his property in his trade, and engross the whole profit, or let him have those £10,000 borrowed of another, to whom he pays the interest, and is satisfied with the overplus of profit, and the salary of his industry, it still makes only £10,000.

"But if we cannot include, without making a double estimate in the calculation of national riches, the capital of the money lent on interest, we ought to call in the other kinds of moveables, which, though originally forming an object of expense, and not carrying any

profit, become, however, by their durability, a true capital, that constantly increases; and which, as it may occasionally be exchanged for money, is as if it were a stock in store, which may enter into commerce and make good, when necessary, the loss of other capitals. Such are the moveables of every kind; jewels, plate, paintings, statues, ready money shut up in chests by miserS; all those matters have a value, and the sum of all these values may make a considerable object among wealthy nations. Yet, be it considerable or not, it must always be added to the price of real estates, and to that of circulating advances in enterprises of every denomination, in order to form the total sum of the riches of a nation. As for the rest, it is superfluous to say, though it is easy to be defined, as we have just done, in what consists the totality of the riches of a nation; it is probably impossible to discover to how much they amount, unless some rule be found out to fix the proportion of the total commerce of a nation, with the revenue of its land; a feasible thing, but which has not been executed yet in such a manner as to dispel all doubts."

These extracts, translated from the French of Turgot, are not here introduced as containing anything new, but as confirming, by the authority of that eminent man, what many may consider new and unsupported by any authority in these pages. It is submitted that these extracts fully support the main principle of this Practical Scheme.

It is manifest that, if the interest of money lent be given on the revenue of lands, or on the profits of enterprises of culture, industry, and commerce, as here shown, there can exist no revenue strictly disposable in a State, but the clear produce of land. If this be so, and it is impossible successfully to dispute it, it must follow, as a necessary consequence, that the more *directly* the clear

produce of lands is taken by the State, for the purposes of State revenue, the better it must be for the Nation, and for all individuals composing the nation, provided that what is so taken, be taken in equal proportion from the same class.

It is here demonstrated that what the other classes of society receive, is merely the salaries and profits paid, either by the proprietor upon his revenue, or by the agents of the productive class, on the part destined to their wants, and which they are obliged to purchase of the industrious class. Whether these profits be now distributed in wages to the workmen, in profits to undertakers, or in interest of advances, they do not change the nature, or augment the sum of the revenue produced by the productive class over and above the price of their labor, in which the industrious class does not participate, but as far as the price of their labor extends.

Hence it follows that, there is no revenue but the clear produce of land, and that all other profit is paid, either by that revenue, or makes part of the expenditure that serves to produce the revenue.

Such was the correct view of Turgot, and if there be anything new in this, it is in the discovery of the means of forming a Practical Scheme of Taxation in perfect consistency with these sound conclusions.

In this view of the subject, it may also be seen, how very futile, if not delusive, are all attempts to sum up the property of a nation; and if made, with tolerable accuracy, by any imaginable means, how very transient must be the approach to accuracy, and how very useless, even if attained.

Nothing can be more absurd than all the attempts of this kind which have yet been made, the only value being to show the utter worthlessness of the opinions of all those who have made such pretensions, on every thing in relation to the subject.

This view alone seems to be a complete answer to the ›bjection that the proposed Scheme imposes upon Land ı larger portion than it ought to bear of the State burden.

But it will, probably, be urged by many as an objec-ion to this Scheme, that it too much favors Land and Houses.

Others will say,—as many do say,—under cover of a nore vague and sweeping objection, that this Scheme roceeds on no principle, but that of *confiscating* wealth.

It will be very easy to maintain all or any of these bjections with specious argument.

But here the truth lies in a well deeper than such ıort-sighted reasoners can see to the bottom of. And ɜt it is not very deep.

It is quite true that, by this Scheme, a larger tax will › imposed on Land and Houses than is now imposed. ut there will be a greater compensation then, than ere is now; and the real question is,—what will be the ılance?

This has been already answered, by showing the great lief from other taxes; and the inevitable tendency of e whole measure to raise the rents, and consequently uplift the market price of Land and Houses.

It is not necessary here to go over again all the grounds ıich lead to these conclusions.

There is, perhaps, something more,—if more can be against nothing,—in the objection,—that Land and ıuses will be too much favored.

It is quite true that, by this Scheme, Schedule B. will abolished, and that the Tenant-Farmer will no longer taxed *directly* for his Farm.

Why should he be taxed?

The Farm does not belong to him, as his property. only rents it.

The Owner has paid the tax for it.

Why should the same thing be taxed twice?

But,—why not tax yearly crops?

The answer has been already given:—to tax yearly crops would be to tax the profits of trade not realised, and the wages of labor.

But,—why not tax food in store?

The answer has been already given:—a tax between the food in store, and the hunger that craves it, is bad.

But,—why not tax farm-stock?

The answer has been already given. It has cost money and labor, and has yet produced no profit.

It is bad enough that capital and labor should be taxed *after* it has brought a man money. It would be far worse if it should be taxed *before* it should be remunerative.

But, why tax land, which is property, and not tax agricultural implements, which are property?

The answer has been already given:—the income from the land is not from the owner's own labor: that from tools wielded by a man's own hands is so.

Why not tax house-gear?

The answer has been already given:—a tax between the hand and its utensil, is bad.

Why not tax unsold goods made or bought for sale?

The answer has been already given:—a tax on what is only a loss, as long as it is unsold, is bad.

And so forth, as already given, under the head:—"Why not tax Ships?"

But would the Tenant-Farmer get off scot free? No.

He would escape all the worry and vexation of making his return under Schedule B., but he would pay his occupation tax in his increased rent, and his landlord would pay the whole tax direct in one sum. Thus the landlord would be a gainer in the risk of loss saved; and the Tenant-Farmer would be a gainer, in all the trouble

aved; and the State would be a gainer, in the expense of collection saved.

Another gain would be in the removal of the absurd distinction in Schedule B. between 2½*d.* in England, and ¾*d.* in Scotland and Ireland.

This seems to be a true statement, as far as it goes, of the case as it would be, between the Landlord and the Tenant-Farmer.

But the gain to the Public from this arrangement, as a material part of the whole scheme, would be incalculably great, if the views presented in these pages be not altogether unfounded.

The other objection; namely,—that this Scheme proceeds on no principle but that of confiscating wealth;—has been already answered, and seems to be undeserving of any further notice.

There will, no doubt, be many other objections which have not been here anticipated and answered.

But these, it is expected, will be more in matters of detail, than of principle; and it is not pretended that, in some details modifications may not be improvements, particularly in the valuations, assessments, and such like details. For instance,—Fines, representing the accumulated Rent of property;—perhaps, these should not be taxed where the annual value of the proceeds of that land has been already taxed. But clearly, the fewer the cases of exception to the general principle the better; and the fewer the exemptions from the tax the better.

In the Income Tax, the questions of exception for exemption have been very numerous, and have occasioned great diversity of opinion; but experience has proved the expediency of reducing these to the lowest limit, and thereby reducing them to the smallest number. Many think that the most effectual, and therefore the most expedient way would be to allow no exemptions. The principle of regulating the tax by an equal per centage,

seems to remove occasion for any exemption, where the amount of the tax would be more than the cost of collecting it. This principle has been kept in view in the present Scheme.

The Valuation of all the Land and Houses of the Kingdom, some think would be a great difficulty. But this would be no difficulty at all; or, if any, would be easily surmounted, and at an expense very trifling in comparison with the magnitude and importance of the object.

A complete Survey and Valuation of the Land and Houses in England and Wales was made many years ago for the purpose of the Tithe Commutation. The Ordnance Survey, on a large scale, has since been completed; and a Government Survey, on a still larger scale, is far advanced.

The Survey of Scotland and Ireland is completed on a much larger scale,—so large, indeed, as to show almost every House, the boundaries of every Estate, and even the divisions of the fields, and enclosures.

This part of the work is, in fact, nearly done. The valuations, of course, must be ever changing. But when the whole work is completed, as far as it ever can be completed, what a valuable State Record will such a Survey and Valuation be!

How easily, from time to time, revised and corrected!

And, what a standard this would be for levying all the State and Local Taxes at once, under the same Assessment, but, of course, at different rates! What a saving of expense in collection! And, under proper management, what a saving of loss from frauds!

So much for the objection as regards the Survey or Valuation.

It is pleasant to hear such an objection as this, because it is a sign that we are very near the end of all objections.

With regard to Assessment, that will require special and careful arrangement. Every one, who is familiar with Parish government and taxation, knows that true and fair assessment requires that intimate local knowledge which only those on the spot can have. It may sound systematic to propose the enforcement of new valuations, to be made by Surveyors and Assessors appointed by foreign bodies with high sounding titles, such as Lords of the Treasury, Commissioners, etc. But, practically, no amount of ability, or skill, or authority, can compensate for the want of intimate *local* knowledge.

What are wanted for this National Valuation are, local knowledge, ability, skill, and integrity, with independent authority for the removal of existing obstructions to responsible action.

These objects may, perhaps, be best attained by the appointment by Government of a London Board of Commissioners, consisting of honorable, independent, and able men, with liberal salaries. Also a Country Board of Commissioners, appointed by Government, but to be selected from the Land Proprietors of each County, or District, with liberal Salaries, to be paid by the Government.

The Government Surveyors to be chosen by the London Board of Commissioners;—and the like number of County or District Surveyors to be chosen by the Country Board of Commissioners; all to be liberally paid by the Government.

The Assessors to be selected from the County, or District, by the Country Commissioners, subject to the approval of the London Commissioners; and to be liberally paid by the Government.

The London Assessments to be approved of and signed by the London Commissioners.

The Country Assessments to be approved of and signed by the Country Commissioners.

The Appeal from the London or Country Assessment to be to the Lords of the Treasury, or to a Jury, at the option of the party appealing; and the decision, or verdict, to be final.

These are merely suggestions, on matters of mere detail. But these are details of great importance for the safe and satisfactory working of the whole Scheme. It is of the utmost importance that justice should be observed, and that the most simple and effectual means should be adopted for that end.

The whole responsibility, and all the expenses should be borne by the Government, and, therefore, the Collectors, or Tax-gatherers, should be appointed solely by the Government, and their receipts should be final discharges for the amounts stated to be received.

It seems desirable to give the option of a final appeal to a Jury, for the satisfaction of the Country; and the Costs of such appeal should, of course, fall upon the losing party,—that is, either the Government, or the party appealing.

The expense of the whole of such machinery, for carrying out such a Scheme, would be very trifling, in comparison with the object.

After the valuations had been once established, the expense of revising the valuations every 3 or 5 years, or other period fixed upon, would be much less.

These further remarks on details are given merely as explanatory of the object in view, and to show that there is no real difficulty in this part of the question.

Other details have, perhaps, been already sufficiently given for the present purpose, which is, to show the outline of a Practical Scheme of Taxation based on sound principles.

That much is left open to objection and improvement, in minor matters of detail, is very probable; but, in any attempts at improvement in such matters, great care

should be taken not to infringe, in the slightest degree, upon any principle; for, in preserving intact every *principle* here laid down, the safe-working of the whole Scheme, undoubtedly, depends.

But, after all, that many objections will be made by prejudiced and unreasoning men, is to be expected. This appeal is not made to them. They must be passed by.

The power of making objections may be abused with so much ease, that it always will be abused. There never was, nor never will be, any plan executed, or proposed, against which strong, and even unanswerable objections may not be urged; so that unless the opposite objections be set in the balance on the other side, we can never advance a step.

"There are objections," said Dr. Johnson, "against a *plenum*, and objections against a *vacuum*, but one of them must be true." No course of conduct is altogether free from errors, no legislative scheme is altogether free from defects.

A critic, therefore, who dwells exclusively on the defective points, who does not attempt an impartial investigation of both sides of a question, who does not endeavor to compare the advantages with the disadvantages, and to strike the balance between them, can never be at a loss for finding the means of censure and condemnation. Moreover, a legislative scheme may always be reduced to absurdity by supposing extreme cases, and by assuming that every provision will be executed with mechanical inflexibility, and without regard to ulterior consequences; suppositions wholly at variance with the truth, and inconsistent with the spirit in which laws are really carried into effect, but which, nevertheless, serve as the substratum of a large part of the objections made to measures of legislation, while they are under discussion.

The fallacy consists in showing that there are objections

against some plan, theory, or system, and thence inferring that it should be rejected; when that which ought to be proved is, that there are more or stronger objections against the receiving than the rejecting it.

This is the remark of Archbishop Whately, who has included the Fallacy of Objections in his enumeration of sophistical modes of reasoning. He illustrates this sort of sophistry in an amusing way, by one of Dr. Johnson's paradoxes, more popular in his time than now, but far from being now exploded;—that a given amount of ability may be turned in any direction, 'even as a man may walk in this way or that.' And so he can; because walking is the action for which the legs are fitted; but though he may use his eyes for looking at this object or that, he cannot hear with his eyes, or see with his ears. And the eyes and ears are not more different than, for instance, the poetical faculty, and the mathematical,—as in Milton and Newton. 'Oh, but if Milton had turned his mind to mathematics, he might have been the great mathematician, and Newton the great poet.' This is open to the proverbial reply:—'If my aunt had been a man, she would have been my uncle.' For the supposition implied in these *ifs* is, that Milton and Newton should have been quite different characters from what they were.

One course generally adopted by a caviller, with respect to any proposal that is brought forward, is, if it be made in *general* terms, to call for *detailed particulars*, and to say,—'explain distinctly what kind of regulations you wish for, and what are the charges you think needful, and who are the persons to whom you would entrust the management of the matter,' etc.

If, again, any of these details be given, it will be easy to find some plausible objection to one or more of these, and to join issue on that point, as involving the whole question. Sancho Panza's Baratarian Physician did not at once lay down the decision that his patient was to have

no dinner at all; but only objected to each separate dish to which he was disposed to help himself.

But, in proposing any scheme, the best way is, to guard, in the first instance, against cavils on *details*, and establish, first, that *some* thing of such and such a character is desirable; then proceeding to settle each of the particular points of detail, one by one; thus, as it were, to cut a measure into mouthfuls, that it may be more readily swallowed; dividing the whole measure into a series of resolutions; each of which will, perhaps, pass by a large majority, though the whole at once, if proposed at once as a whole, might have been rejected. For, supposing it to consist of four clauses, A, B, C, and D; if out of an assembly of one hundred persons, twenty are opposed to clause A, and eighty in favor of it, and the like with B, and with C, and D, then, if the whole were put to the vote at once, there would be a majority of eighty to twenty against it; whereas, if divided, there would be that majority in favor of it.

It is fairly to be required, however, that a man should really *have*—though he may not think it wise to produce it in the first instance—some definite plan for carrying into effect whatever he proposes. Else, he may be one of another class of persons as difficult to negociate with, and as likely to baffle any measure, as the preceding. There are some, and not a few, who cast scorn on any sober practical scheme by drawing bright pictures of a Utopia which can never be realised, either from their having more of imagination than judgment, or from a deliberate design to put one out of conceit with everything that is practicable, in order that nothing may be done. *E. g.*—'What is wanted, is, not this and that improvement in the mode of electing members of parliament,—but a Parliament consisting of truly honest, enlightened, and patriotic men. It is vain to talk of any system of Church-government, or of improved Church-

discipline, or any alteration in our services, or revision of the Bible translation; what we want is, a zealous and truly evangelical ministry, who shall assiduously inculcate on all the people pure Gospel doctrine. It is vain to cast cannon, and to raise troops; what is wanted for the successful conduct of the war is, an army of well-equipped, and well-disciplined men, under the command of generals who are thoroughly masters of the art of war,' etc.

It is vain to propose any Practical Scheme of Taxation; what is wanted is, an honest Government which shall bring forward some well-considered scheme, which shall be approved of by all classes of the People.

Thus, one may, in every department of life, go on indefinitely making fine speeches that can lead to no practical result, except to create a disgust for every thing that *is* practical.

When, (in 1832) public attention was called to the enormous mischiefs arising from the system of Transportation, we were told in reply, in a style of florid and indignant declamation, that the real cause of all the enormities complained of, was, a want of sufficient fear of God;(!) and that the only remedy wanted was, an increased fear of God. (!) As if, when the unhealthiness of some locality had been pointed out, and a suggestion had been thrown out for providing sewers, and draining marshes, it had been replied that the root of the evil was, a prevailing *want of health;* that it was strange, this—the true cause—should have been overlooked; and that the remedy of all would be to provide restored health!

As for the penal colonies, all that is required to make them efficient, is, we must suppose, to bring in a Bill enacting that 'Whereas, etc., be it therefore enacted, that from and after the first day of January next ensuing, all ons shall fear God. (!)'

It is such Utopian declaimers that give plausibility to the objections of the cavillers above noticed.

It is but fair, after one has admitted (supposing it is what ought to be admitted) the desirableness of the end proposed, to call on the other party to say whether he knows, or can think of, any *means* by which that end can be attained.

Some of the latter remarks are abridged from Archbishop Whately's Annotations on Bacon's Essays.

There are abuses known by all the world, against which every voice is raised, and yet these have secret supporters who know how to defend them, in a manner to tire out well-meaning people.

There are false characters, perverse hearts, that seem to regard errors and abuses as their patrimony. But it must be admitted that evil is generally perpetrated in a less wicked manner when it is done without the intervention of any strong passion; by vulgar, yet all-powerful routine, and ignorance.

The same thought, though clothed in calm and cleverly circumspect language, was expressed by Bailly, in describing the Hôtel Dieu at Paris.

"The Hôtel Dieu has existed, perhaps, since the seventh century, and if this Hospital is the most imperfect of all, it is because it is the oldest. From the earliest date of this establishment, good has been sought, the desire has been to adhere to it, and constancy has appeared a duty. From this cause, all useful novelties have with difficulty found admission; any reform is difficult; there is a numerous administration to convince; there is an immense mass to move."

He who sows a thought in a field rank with prejudices, with private interests, and with routine, must never expect an early harvest. But in this world the tares and the wheat grow together, and all we have to do is, to sow the wheat.

The author of a discovery beneficial to mankind has always to contend against those whose interests may be injured,—or are supposed to be injured,—the obstinate partisans of everything old, and finally, the envious: And these three parties united form the great majority of the Public. Furthermore, we know that, men may devote themselves to deep studies, possess knowledge and probity, exercise to an eminent degree oratorical powers that move the feelings, and influence political assemblies, and yet sometimes be deficient in plain common sense.

But, after all, facts must prevail in the long run; and what astronomical records or meteorological registers are to a rational explanation of the movements of the planets, or of the atmosphere, statistical returns are to social and political philosophy. Unfortunately for mankind, facts are not sufficiently regarded. Men, in general, do not adopt that celebrated maxim of Lord Bacon for their guide:

"To write, speak, meditate, or act, when we are not sufficiently provided with *facts* to stake out our thoughts, is like navigating without a pilot along a coast strewed with dangers, or rushing out on the immense ocean without a compass, or rudder."

No eloquent declamation is capable of resisting such a process of reasoning, or withstanding the force of such conclusions, as are to be drawn from facts and figures. As the eminent Astronomer, Arago, said:—"The Mathematics have been, in all ages, the implacable adversaries of scientific romances."

Even *probabilities* are to be calculated by figures. An event is '*probable*' when its probability, numerically estimated, exceeds $\frac{1}{2}$—improbable when it falls short of that fraction. As probability is the numerical measure of our expectation that an event will happen, so it is also that of our belief that one *has* happened, or that any proposed proposition *is* true. Expectation is merely a belief in the future, and differs in no way, so far as the measure of its degree is concerned, from that in the past.

La Place described the theory of Probabilities as—"good sense reduced to a system of calculation."

To render the consequences of our actions certain and calculable, as far as the conditions of humanity will allow, and narrow the domain of chance as well in practice as in knowledge, is so thoroughly involved in the very conception of law and order as to make it a primary object in every attempt at the improvement of social arrangements. Extensive and unexpected fluctuation of every description, as it is opposed to the principle of divided and independent risks, so it also, by consequence, stands opposed to the most immediate objects of social institutions, and forms the element in which the violent and rapacious find their opportunities.

Nothing, therefore, can be more contrary to sound legislative principle, than to throw direct obstacles in the way of provident proceedings on the part of individuals (as, for instance, by the taxation of Insurances), or to encourage a spirit of general and reckless speculation, by riding unreservedly over established laws of property, for the avowed purpose of affording a clear area for the development of such a spirit on a scale of vast and simultaneous action.

So, also, nothing can be more contrary to sound legislative principle than to throw direct obstacles in the way of provident proceedings on the part of the largest portion of the community, with a view to benefit the position of the smallest portion.

The working classes must always be by far the largest portion of every community. They are the principal purchasers of those domestic and foreign commodities which enter most largely into the general consumption. By far the greater part of the agricultural produce of the country is raised for them; they are the chief buyers and consumers of tea, coffee, sugar, tobacco, beer, and spirits, and other articles of necessary or ordinary con-

sumption; and they are the best customers of the manufacturers and producers themselves.

To say that it is injudicious in a Government to throw any unnecessary obstacle in the way of the principal consumers of these necessary articles, must seem, to most persons, to be only a truism: and yet this is what all Governments are doing!

Take, for instance, the Sugar Duties.

What term of indignation is too strong to be applied to a Government, which permits the existing state of our Sugar Duties?

Can anything be more impolitic than our present system of differential duties on that necessary, and even essential, article,—Sugar?

Could any person, of ordinary understanding, suppose it possible that any civilized Government could so impose its duties on this necessary article for human comfort, and even life,—so abundantly produced by Nature in a tropical climate, and so easily made serviceable for human use,—as not only to prevent consumption by a very large portion of its own people, but actually to prevent the best Article from coming into the country at all.

The consequence of all this is, that the pure article,—as expressed from the cane,—which, evaporated under a tropical sun, becomes a perfectly white and pure Sugar,—is absolutely unknown to the consumer in this country, and an inferior article, manufactured at a heavy additional cost, is forced upon him in order to confer a doubtful benefit on a small body of Refiners in this country, and on those growers who employing less capital, energy, and enterprise, make bad Sugar. The extent to which the revenue of this country is apparently benefited is to be estimated at the additional amount of duty derived from the 16*s*. duty—as compared with the 13*s*. 10*d*. duty—a gain under £40,000 per annum.

Thus, for the comparatively trifling gain to between

sixty and seventy monopolist-sugar-refining-firms, for a miserable yearly sum to the Government,—under £40,000,—filched, "by this ingenious contrivance," out of the pockets of the poor, and hard-worked, laboring classes,—thirty millions of people in this country have imposed upon them an inferior, adulterated, and positively unwholesome, article, at a much higher price than for which they might have the pure, genuine, and highly nutritious, article, which Nature so abundantly supplies, and evidently intended for the benefit of all.

The differential duties on Sugar, imported into this country, are so imposed, on the *ad valorem* principle, that the producers are compelled, for their own interests, to lower the quality of the sugar in its manufacture, and it is a fact well known in the trade that, the manufacturers, when they find that, by accident they have made it too good for our market, mix with it sugar refuse, and even sand and dirt, in order that it may arrive in this country in a sufficiently impure state to pass under the lower scale of *ad valorem* duty, and to be fit for purification by the filthy process of our sixty or seventy great sugar refining firms.

But this is not all.

In order that the raw Sugar may arrive in this country in a sufficiently impure state to evade one or two duties, and to come in under the lower duties, the adulterated article is shipped in such an impure state that, according to the estimate in the trade, about 12 per cent. escapes from the cask, and this is so offensive that, it is thrown over-board, for the sake of the health of the crew.

This loss, of course, is made up by an additional charge to the consumer.

All this miserable evasion, which, in plain terms, is wholesale *cheating*, of the worst description, by the Government, in connivance with the partly ignorant, partly negligent, legislature, is, as before said, for

bringing the impure article within the lower scale of *ad valorem* duty, and for adding something less than £40,000 a year to the Public Revenue!

These Statesmen, or Legislators, do not see how much more than £40,000 a year they lose in thus imposing upon the People.

It is impossible to suppose that they see this, for that would be to suppose them indifferent to the consequences,—which nobody does suppose.

Nor does anybody suppose that they persist in the present scale of duties for the sake of helping the sixty or seventy great sugar-refining firms to make their large fortunes; and nobody blames these wealthy monopolists for availing themselves of the Law to make their large fortunes. The Government cares nothing for them. The Government is thinking only of the six millions, sterling, of revenue from the Sugar Duties. They do not see that, if they must have a duty on this necessary of life, they would get much more, by a lower and fixed duty, than they could ever get by any scale of differential duties which human ingenuity could devise.

Who is the Chancellor of the Exchequer who will venture to dispute this assertion by a plain and simple denial?

If any Chancellor of the Exchequer will venture to stake the whole question on this issue, judgment will soon be pronounced against him, by the People.

When the People understand the question, they will not submit to any duty on Sugar.

A low fixed duty might now deceive them into submission, for some time to come. But it will be better for them, in the end, if even this small concession to common sense be withheld a little longer. Some years hence, and perhaps, not many, the Sugar Duties will be referred to as a thing of the past,—as a marvellous instance of the ignorance of past Governments. It is only a question of time. Nature must, in time, prevail over the

weak and sinister artifices of narrow-minded men to restrain her marvellous bounty and loving-kindness to all mankind. But, Parliament must be reformed or enlightened before that happy time will come.

Then, Sugar, now unknown in this country for richness, sweetness, and fine flavor, will be sold here for *less* than 2*d.* a pound, and so abundant will then be the supply that, Farmers will then fatten their cattle with better sugar than is now sold to the poor at a high price; and, moreover, Farmers will then manure their land with sugar, nothing inferior to much now brought to the English market for their consumption.

Many will laugh at this as a contemptible prophecy. But it is no prophecy. The fulfilment is much too plain for that, and many now living will live to see it.

It requires no great foresight to see that, the inexhaustible richness of the earth under a tropical sun, was intended to fertilize and sweeten the comparatively sterile and sour soils in less favored climes; and he must have a bold imagination who can believe that human selfishness and meanness will for ever thwart and counteract the bountiful designs of abundant Nature.

Who, now living, supposed, twenty years ago, that he should see ship-loads of pine-apples brought over to this country, and sold in the streets of London, for 2*d.* and *d.* a-piece?

Would it be more wonderful if the purest and sweetest white sugar were sold in London at or under 2*d.* a pound?

What is now known as lump sugar, would then be unknown, or remembered only as a curiosity.

The expressed juice of the cane would then be imported into this country, in its natural state, as perfectly pure white sugar. For this, all that would be required would be, to expose the pure juice in shallow pans to the process of evaporating the water by the action of the tropical sun.

This would produce a whiter and more perfectly crystalized sugar, than by any of the nasty artificial processes of the Sugar Refiners, and all the loss and expense of their processes would be saved.

Those nasty products, known in the Trade by the names of '*Pieces*' and '*Bastards*,' now sold as sugar in vast quantities, chiefly to the poorer consumers, but quite unfit for consumption, would be known and sold no more; or, if known and sold, not as sugar, but as manure. These are the *remains* to the Refiner, after he has made his Lump Sugar; and, by the inexperienced, can be better distinguished by the nose, than by the eye,—the *Pieces* being the least and the *Bastards* the most nasty; the former having lost their virtue, and the latter having the smallest possible quantity of goodness remaining.

It appears, from all the evidence given by the Trade, that these corrupt *remains* are brought into existence by the present scale of differential duties, and that, if there were no duty at all, or, even if there were a *fixed low duty only*, there would be no consumers of this offal. There could be no Bastards, if there were no Pieces.

This Evidence seems, to the uninitiated in the mysteries of Sugar Making and Refining, to be founded on plain common sense reasoning, for the Raw Sugars being prohibited, by high duties, from entering into our market, the Refiners are compelled to use the articles of low and impure quality, which the differential duties, in actual effect, alone permit to enter, and they would not manufacture these into Sugar, if they could work with better materials.

But, as before said, if there were no duty at all, there would be no need for any refining, as the finest and purest crystalized white sugar would come direct to our market from the first producer, who would also be the manufacturer.

Can anything exceed the human folly of the artificial

system which prevents this natural and simple process from coming into operation?

It is impossible to imagine what can be said for folly such as this!

There is the folly of ignorance, and there is the folly of wickedness.

In this case, it cannot be of the first, and no one likes to say that it is of the last. But whichever or whatever it may be, it is inexcusable.

This is a subject thoroughly understood, in all its bearings, by the wholesale dealers,—men of great intelligence, as well as great wealth.

For many years past, they have spared no pains in bringing before Government by Memorials and Deputations, and before Parliament by Petitions, the whole question of the Sugar Duties, in all its bearings, and in all its inconsistencies. But still these inconsistencies are continued! The People, who are the sufferers, do not trouble themselves, and, therefore, their Representatives in Parliament do not trouble themselves. Most probably there are very few amongst them who know much about the Sugar Duties. How many persons read these Memorials and Petitions against the Sugar Duties?

The Writer of these pages has taken that trouble. And what a display of intelligence,—what sound reasoning from well ascertained facts and well known principles, and what conclusive results, do these Memorials and Petitions present!

Let those who *wish* to understand this subject read only the articles upon it in that useful periodical, well known in the Trade as "Joseph Travers and Sons' Weekly Circular."

It would require a volume, larger than this, to go fully into this subject in all its bearings:—but then,—who would read it? How many will read even what is here written about it?

But the Reader's patience shall not be tired out. The able, forcible, and conclusive Petitions,—of the Merchants and Traders against these 'Differential Duties,'—'ordered to lie upon the Table,'—that is,—consigned to the Parliamentary Glue-Pot, as Waste Parchment,—shall be passed over here, as there,—merely mentioned; and we will confine our selection to two Extracts from the Weekly Circular of Messrs. Joseph Travers and Sons.

[*From "Joseph Travers and Sons' Weekly Circular," April 26th*, 1862.]

"DIFFERENTIAL DUTIES ON SUGAR."

"*The last dregs of Protection have been carefully scoured away, and the taxes which we impose exist only for the sake of the revenue we derive from them.*"—The Times, Leading Article, 7th April, 1862.

"We quote the above from a recent leader in the *Times*, to show how in the best informed quarters there is at present a complete ignorance as to the disadvantages under which an article only next in importance to corn and cotton, has labored for many years past, and we are glad to find that the prompt and unanimous response given by the grocers throughout the kingdom to the Sugar-growers' Memorial has already made itself felt in its true importance. So universal a complaint convinces all who are unbiassed by private interests, that the prevailing system of assessment is attended by some unusually serious evils.

"Those interests which imagine that an equalization of duty must do them harm, and who insist, in spite of all demonstration to the contrary, that the present system is an admirable one, constantly make use of one argument, which we believe embarrasses even the clear vision of the Chancellor of the Exchequer, and disposes him to think well of all duties of an *ad valorem* character. They contend that it is manifestly unjust that an inferior sugar should be subjected to as heavy a duty as a fine sugar.

"The answer we would make, and it is one that applies to all *ad valorem* duties, is, that not to do so would be a still greater injustice to the maker of the fine sugar, and would be a direct interference with the natural relations of value between those sugars. We assert that a badly made sugar should naturally obtain a low price, and a well made and pure sugar should ob-

tain a high price; and that any differential *ad valorem* duty which interferes with and professes to correct these natural laws, is a direct violation of one of those broad principles of taxation, which is so aptly alluded to in the quotation above—namely, that no tax should exist except for the sake of the revenue we derive from it.

"The fact is, that our Legislature has hitherto drawn a distinction between that difference of duty that protects country, and that difference of duty that protects one quality of any article as against another grade of the same. The Writer in the *Times* above quoted doubtless believed what he wrote, and, admitting, as we do, the sugars of all countries on equal terms, he thought that protection on sugar was entirely abolished.

"Now, if a large portion of the British West Indian Sugars, as at present manufactured, are only up to the 13*s.* 10*d.*, and a large proportion of the East Indian and Mauritius Sugars are subject to the higher duty of 10*s.*, it is perfectly evident that the differential duty which was intended in those days to protect certain favoured countries is, at this moment, as much in force as ever; and it follows that, *whether duties be differential as to country, or differential as to quality, the effects produced are alike, and that there is practically no difference between them.*

"It appears, therefore, a strange inconsistency, when we find the Chancellor of the Exchequer, in his reply to Mr. D'Israeli's attack, taunt that gentleman with the fundamental error which has distinguished his policy, and the policy of those he leads, and lament his want of faith in that system of legislation upon which Parliament has been at work for the past twenty years,—namely, the principles of Free Trade,—and in the same breath almost, when alluding to the Sugar Question, say he thinks the West India Growers, who are perfectly satisfied with the present duties, 'have much on principle to urge in support of their protest.' We would only ask, *what* principle? Was it not an axiom of the late Sir Robert Peel, that a differential duty is always a protective duty? And is it the principle of protection that appeals so strongly to Mr. Gladstone's pity in this instance, and obliges him to say, that it would be impossible, and, if possible, most improper, to make any precipitate proposal in regard to a question so complicated?

"We wish that Mr. Gladstone could understand that, a differential duty, of whatever nature, is nothing else than a clumsy *ad valorem* duty, and that an *ad valorem* duty is theoretically the perfection of protection.

"If our Legislature understood that the value the consumer is prepared to give for an article is a measure of the premium he offers to induce a supply of the article he requires, it would see the egregious folly of an *ad valorem* duty, which, in its principle and action, progressively prohibits the very supply required, and consequently offers a premium for the article least valued. It is to be regretted there is this tendency on Mr. Gladstone's part to reconcile the interests of conflicting classes, rather than to consult those of the nation at large, for it is a tendency inconsistent with all high principle, and especially so with the principle of Free Trade and Direct Taxation which, but partially recognised, has done so much for the country during the last ten years."

The following is so important on the Sugar Duties, and so instructive for those who desire to understand this question, that it is here given *in extenso*, though it comes too late to be inserted in its proper place:—

[*From "Joseph Travers and Sons' Weekly Circular," August 9th*, 1862.]

SUGAR DUTIES.

We invite special attention to the following papers relating to the differential scale of duties upon Sugar. The first document is a copy of a letter written by the Lords of the Committee of the Privy Council for Trade, dated the 4th May, 1853; the other paper contains extracts from a despatch dated the 10th November, 1852, addressed by the Governor of British Guiana to his Grace the Duke of Newcastle, then, as now, Her Majesty's Secretary of State for the Colonies:—

"Office of Committee, Privy Council for Trade,
Whitehall, 4th May, 1853. (!)

"SIR,—The Lords of the Committee of Privy Council for Trade have had under their consideration your letter of the 19th February, transmitting, for their information, by desire of the Duke of Newcastle, copy of a despatch from the Governor of British Guiana on the subject of the supposed injurious influence of the discriminating duties upon Sugars in the United Kingdom upon the Sugar-producing interests of that Colony.

"The Governor represents that the effect of these discrimi-
'g duties is to discourage the adoption of improved processes

for the manufacture of Sugar, by which a larger quantity of saccharine matter is extracted from the cane, and its produce economised; that the inferior kinds of Sugar occupy much space in their passage home, and are subject to considerable waste; that much good Sugar is not unfrequently purposely damaged, in order to bring it within the lowest standard; and that much of the superior Sugar produced in the Colony is not sent home at all, which would otherwise find its way to the British market.

"The Duke of Newcastle is aware that, by the existing tariff, the scale of duties upon Sugar, the produce of British possessions, is as follows:—

Sugar or Molasses, the Growth and Produce of any other British Possession being imported from any such Possession.

QUALITY.	From & after 5 July, 1851, to 5 July, 1852.	From & after 5 July, 1852, to 5 July, 1853.	From & after 5 July, 1853, to 5 July, 1854.	From & after 5 July, 1854.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Candy, brown or white, Refined Sugar, or Sugar rendered by any process equal in quality thereto, for every cwt.	0 17 0	0 16 4	0 15 4	0 13 4
White Clayed Sugar, or Sugar rendered by any process equal in quality to White Clayed, not being Refined or equal to Refined, for every cwt.	0 14 0	0 13 5	0 12 10	0 11 8
Brown Clayed Sugar, or Sugar rendered by any process equal in quality to Brown Clayed, and not equal to White Clayed, for every cwt.	0 13 0	0 12 5	0 11 10	0 10 0
Muscovado, or any other Sugar, not being equal in quality to Brown Clayed Sugar	0 12 0	0 11 6	0 11 0	0 10 0
Molasses, for every cwt.	0 4 6	0 4 4	0 4 2	0 3 9

"From this Table it is seen that from the 5th July, 1854, the uties upon Brown, Clayed, and Muscovado Sugar will be assiilated, both being subject to the duty of 10*s.* per cwt., but ıere will still remain a discriminating duty of 3*s.* 4*d.* upon Rened, and of 1*s.* 8*d.* upon White Clayed Sugar.

"These discriminating rates of duty were fixed as an approxiation to the *ad valorem* principle, it being held to be unfair to ıbject to the same duty Sugars containing different quantities saccharine matter.

"Although, in the opinion of my Lords, customs duties prortioned to the value of imports, wherever practicable, are more ıt in principle with reference to the incidence of taxation than iform rated duties, it has been found necessary, from a prac-

tical experience of the fraud to which such duties give rise, and the difficulty and cost of their collection, to adopt uniform duties upon so many important articles subject to customs duties, that the retention of the *ad valorem* duties which still remain in the British tariff becomes comparatively unimportant.

"In the present instance my Lords are disposed to allow considerable weight to the arguments adduced by the Governor of Guiana; and they would observe that the application of *ad valorem* duties on Sugar appears to be in many respects less appropriate, than to several other articles in regard to which it has been found expedient to abandon them. To impose a discriminating duty upon distinct kinds of a given produce, such as the produce of vineyards, varying in richness, different qualities of tea or tobacco would appear to be a legitimate application of *ad valorem* duties; but to strike with a superior duty one pound of sugar, which, by a better mode of manufacture, contains more saccharine matter than another pound obtained from the same raw material, is to inflict direct discouragement upon improvement.

"They conceive, however, that, before taking any steps in the matter, it would be desirable to ascertain in what manner the assimilation of the present duties upon Sugars would be likely to affect the interests of other Sugar-producing colonies; and they would suggest that the Duke of Newcastle should cause inquiry to be made as to the opinions entertained upon this question in such dependencies.

"They would in conclusion observe, that a change, such as that under consideration, would affect the trade in Sugar-refining at present carried on in this country, and, unless there were an alteration in the rate of duty upon the lower Sugars, might operate to diminish the amount of revenue derived from this source.

"I have, etc.

"(Signed) J. EMERSON TENNENT.

"H. MERIVALE, Esq., etc. etc. etc."

Extract from a Despatch from GOVERNOR BARKLY *to the* DUKE OF NEWCASTLE, *dated British Guiana, 10th November*, 1852. (!) (No. 178.)

"19. Apparatus for carrying the manufacture of Sugar to a higher stage were likewise adopted here earlier than in any tropical country, the vacuum pan having, as mentioned by Mr. Austin been put up on several estates twenty years ago, and though the diminished means and credit of the planters, and still more the

discrimination according to quality enacted by the laws regulating the duties in Great Britain, have tended to discourage its extended use, both the plan of boiling in vacuo, and Gaddesden's for boiling at a lower temperature than the ordinary, are spreading, the former being already practised on twenty-two plantations, and pans are in course of erection on three others; the latter already being on trial in three, whilst within my own knowledge either one or other improvement is contemplated by the proprietors of eight other estates. Were the grades of discriminating duty abandoned in regard to Sugars, 'equal to white clayed' and 'refined,' and one rate charged upon Sugar without reference to its fineness, I have no doubt indeed the vacuum pan would become universal on such estates as make 500 hogsheads and upwards, and Gaddesden's pans, combined with centrifugals (or possibly the new apparatus of Rillieux, if found to answer, in an experiment about to be made here, as well as it is said to do in the United States), as requiring less outlay of capital on the smaller estates.

"20. Besides getting a larger return of superior Sugar, from a given quantity of cane juice, than they now do of the inferior quality, the planters would, by such means, save the large percentage now lost from the drainage of their Muscovado Sugar on the voyage home, usually reckoned at more than a tenth.*

"The discouragement which the existing arrangement of duties offers to an improved system of manufacture will be best conceived from the following facts: first, that the process of 'spoiling' Sugar, when it seems better than would be likely to pass the lowest standard, is not of unfrequent occurrence on estates where the vacuum pan is used; second, that a gentleman in charge of an estate on which vast expense has been incurred for steam clarifiers, bag and charcoal filters, vacuum pans, and pneumatic pumps, assured me that for a further trifling outlay of about £100, he could, were it not for the quasi-prohibitive duty, ship the whole of his crop (1000 tons) of a quality equal to refined Sugar, though made *bonâ fide* by a single process from the raw material.

"21. I venture most respectfully to conclude the observations which I have felt it my duty to make on a subject of so much importance to this Colony, in the words of a report addressed by the celebrated chemist Peligot to the French Colonial Minister, in 1842: 'If colorless Sugar cannot be produced from the cane

* 15 per cent., according to a late writer, *vide* "Facts and Observations," by Mr. A. Archbold.

(as was supposed a few years ago); if the Molasses, which impregnates and colors this Sugar, cannot be removed; if the production of Colonial brown Sugar must remain stationary as to quantity; if the quality cannot be improved; the excess of duty upon white Sugar may, to a certain extent, be comprehended and justified. But if, on the contrary, this coloration is the consequence of a bad mode of working; if it be demonstrated that the Sugar which pre-exists in the cane is white; that it is obtained white when a part is not destroyed; that the proportion extracted is consequently as much greater as it is less colored; what must be thought of a legislative measure which imposes upon that industry the exorbitant obligation of making small and bad products, and which places a barrier before one of the things which the laws should most respect—improvement?' "

We emphatically deny that *ad valorem* duties are more fair in principle than a fixed duty, and it affords us great satisfaction to learn that at any rate the heads of one of the great departments of the State, under an administration composed of some of Her Majesty's present Ministers, have formally expressed their opinion that an *ad valorem* duty is less appropriate on Sugar than upon many articles which it has been found expedient to free from such a mode of taxation; and that they concede that the fancied necessity for the retention of the *ad valorem* duties which still remain on the British tariff has comparatively ceased to exist. It is of the greatest importance to find that the Board of Trade have denounced a system which imposes a heavier duty on that sugar which, by a better mode of manufacture, is of a superior quality, and lets off with a lighter tax that Sugar which is, from inferior culture or manufacture, of an inferior quality, and that they admit that such a principle of taxation gives direct discouragement to all improvement.

These are most important admissions, and we feel certain that when the subject comes under the consideration of Parliament, due weight will be given to them; but it is to the valuable facts contained in the extracts from Governor Barkly's despatch that we chiefly desire to call public attention. Here we have unquestionable evidence that Sugars are frequently spoiled on purpose, when they seem better than would be likely to pass at the lowest standard; that besides getting a larger return of superior Sugar from a given quantity of cane juice than they now obtain, the planters would save at least 10 per cent. of Muscovado Sugar [illegible] from drainage on the voyage home; and that, if it were

not for the quasi-prohibitive duty, the proprietor of a considerable Sugar estate would be able, at the trifling outlay of £100, to send home all his crop, amounting to 1000 tons, of a quality equal to refined, though made by a single process from the raw material. We do not believe that when the public fully understand the serious effect upon their interests of distinctive duties upon Sugar, they will tolerate the continuance of a system which causes an article of food of prime necessity to be spoiled and rendered unfit for consumption in this country, until it has undergone a second process here—a process for which the consumer has to pay, but which can never make the Sugar as good or as cheap as it would have been if it had been completed in the colony where it was grown; which encourages the destruction of large quantities of Sugar in its extraction from the cane, and necessitates a further loss of 10 per cent. from drainage during the voyage home.

The wickedness and absurdity of a mode of taxation which positively offers a premium for the destruction of one of the most valuable productions given to mankind by a beneficent Providence, are admirably exposed by M. Peligot. He tells us "that the coloration of Sugar is the consequence of bad working, that Sugar in the cane is white, so long as a part is not destroyed, and that the quantity extracted is consequently as much greater as is less colored." Well may this eminent Frenchman exclaim in indignant amazement, "What must be thought of a legislative measure which imposes upon industry the exorbitant obligation of making small and bad products, and places a barrier before one of the things which the law should most respect—improvement?"

We ask what must be thought of the Report of a Select Committee which recommends not only the continuance of a system open to such grave objections, but asks that the present evils shall be aggravated, and greater encouragement given to the destruction of an article so necessary for the comfort of every class of society. Such a report will not have the approval of the public, and cannot receive support from the Legislature.

We could well dispense with the attendance in Parliament of some Country Squires, if their places were filled by men, experienced in trade, who can write such Articles as these, which, may be taken as fair samples of the moderation and good sense of Messrs. Travers' Weekly Circular.' But, unfortunately, facts and r

guments, however strong and conclusive, seem to have little weight against the broad fact of a revenue of upwards of six millions, sterling, a year.

It is a remarkable fact, worthy of notice, that, notwithstanding the differential duties, 12,000 tons of Lump Sugar were imported from Holland into this country, in the year 1861, at the high duty of 18*s*. 4*d*. This fact alone is sufficient to show the great efforts of the better article to struggle into the English Market, and also the impolicy of the high and differential duties which alone keep it out.

The only reason why Holland, France, and other Countries manufacture a better and cheaper article than we do, is that, the scale of duties on the raw article is lower in those Countries, than in this Country; and one of the necessary consequences of our system is that, by far the greatest portion of the best sugar goes to our Australian, and other Colonies, and to those countries where a wiser system is pursued.

The consumption of Sugar in this Country, in the year 1861,—may be taken, in round numbers, with sufficient accuracy, as follows :—

CONSUMPTION—1861.

Tons.		Duty. *s.*	*d.*
12,238	.....	18	4
1,975	.....	16	0
196,853	.....	13	10
258,969	.....	12	8

The Importation of Sugar into this Country, in the year 1861, was as follows :—

IMPORTATION—1861.

Tons.		Duty. *s.*	*d.*
12,200	Lump Sugar, from Holland, nearly all of it	18	4
3,700	.....	16	0
211,400	.....	13	10
305,000	.....	12	8

The total production of sugar, including Beet-Root, in the year 1861, was 1,797,000 Tons; from the following Countries, viz.:—

TOTAL PRODUCTION—1861.

1.	British West Indies	186,000
2.	Mauritius	136,000
3.	British East Indies	40,000
4.	French Colonies	123,000
5.	Dutch and Danish West Indies	22,000
6.	Cuba and Porto Rico	549,000
7.	Java	123,000
8.	Siam and Manilla	60,000
9.	Brazils	76,000
10.	Louisiana and Texas	122,000
		1,437,000
	Beet-Root	360,000
	Tons	1,797,000

To those who have not taken much interest in the proposed equalization of the Sugar Duties, it may be useful to point out one of the evils of the trade, which every grocer is practically well aware of, and that is,—the uncertain turn-out of Raw Sugars, solely attributable to the present differential duties.

This uncertainty of turn-out,—this impossibility of obtaining an accurate estimate of the contents of a hogshead,—does not arise so much from the system of sampling pursued at the Docks, as it does from imperfect and careless manufacture. So long as our Government holds out a premium, to the producers of all the worst manufactured Sugars in the world, to seek our market, as the most remunerative, and causes all the best to avoid it, as the least remunerative, so long will grocers have to complain of the turn-out of Raw grocery Sugar. The grocers of the kingdom, at this moment, can hardly appreciate the extent of fine and even qualities of Sug-

that await their customers, and are scarcely aware to what a limited variety and inferior quality of Sugar the present scale limits them.

The following is extracted from the last Budget of our Chancellor of the Exchequer :—

"With respect to the duties on Sugar, that is a question into which I need not minutely enter. * * * * On this account certain portion of the sugar growers, particularly those interested in the Mauritius and the East Indies, demand of us that we should abolish the difference. But we are encountered by a variety of other interests. We have the growers of the Mauritius and the East Indies from one point of the compass, the West India growers from a second point, the refiners from a third, and the consumers from another. The West India growers are perfectly satisfied, and protest against any change, and I must say they have, on principle, much to urge in support of their protest. The Refiners are equally a protesting party against a change; the revenue thrives under the present system, and the consumer obtains a supply increasing from year to year. The conclusion I draw is this, that if a change is to be made in this matter, it must be made after careful deliberation, and a protracted investigation, in which all interests should be represented. If those who are connected with the Mauritius and the East Indies call on the Government to give their sanction to an inquiry by a Committee for the purpose of ascertaining the operation of the present system, to that proposal I should not have a word to object; but it is plain to me, from the statements laid before me within the past fortnight or three weeks—for it is only within that period that any representation has been made to me—that it would be impossible, and, if possible, most improper, for the Government to make any precipitate proposal in regard to a question so complicated, and where such a variety and diversity of interests are concerned. Therefore, that question may go by."

Those who represent the vested interests so long protected by Differential Sugar Duties, no doubt approve the summary way in which the question of an alteration is alluded to by the Chancellor of the Exchequer, and, doubtless, consider it fortunate,—although inconsistent with the true principle of free trade,—that their interests

have greater weight with him, than those of the Public, and the sugar commerce of the country.

The interests of the Public, as is too often the case, have to give place to those of Class; and Consumers, who have been, by the operation of the present scale, insidiously and gradually robbed of their natural privilege of supplying themselves in an unrestricted market, must continue to be sufferers, in addition to the heavy tax they pay, and to lack a supply of those Sugars which are best adapted to their wants.

It is strange that a Chancellor of the Exchequer, whose duty it would seem to be to consider the interests of the whole Nation, should, in the present case, allege as a reason for preserving the present protective system, the satisfaction that it affords to the interests so protected. He alludes to the advantage derived by the consumer of an increasing supply each year, as if this advantage were one which immediately resulted from the present scale, whereas it is one which would follow under any system, where the aggregate amount of duty levied was not prohibitory. That the system does not benefit the consumer, is evident to all engaged in the Trade, or who have taken the trouble to make themselves acquainted with the subject.

There is, every now and then, something dropped by our present Chancellor of the Exchequer, so inconsistent with his professions in favor of Free Trade, that some are almost led to doubt whether he be quite sincere in his professions.

This may be accounted for by his own subordinate position in the Cabinet; and, perhaps, his motto is:—*Bide your time.'*

But a short time must make this more clear.

Thus, it will be seen that,—the effect of our present system of differential duties on Sugar is, not only to prevent, to a very great extent, the consumption of Sugar

in this country, but actually to prevent the best article from coming into this country at all.

It is too late in the day, and we are too near the end of this volume, already too much swelled out, to be drawing out more Tables to show the injurious effect of our remaining Duties on necessary articles. But those who wish to satisfy their curiosity on this subject, may refer to the last Parliamentary Return of the present year, showing the quantities of Tea, Coffee, Sugar, Molasses, Spirits, Malt, Wine, and Tobacco, retained for Home Consumption in the United Kingdom in each of the years 1841, 1851, 1859, 1860, and 1861; the Amounts of Duty received upon each Article; the Rate of Consumption, per Head, of the Population, and the Rate of Contribution, per Head, to the Revenue.

From this it will be seen that the average annual consumption of TEA, in the two years 1841, and 1851, when the duty was 2*s.* 2¼*d.* per lb., was 45,312,363 lbs., yielding £4,937,146; while in the three years, 1859–60, and 61, when the duty was 1*s.* 5*d.* it was 77,016,601 lbs., yielding £5,453,116; thus affording an excellent instance of the superior advantage to the revenue of moderate duties. The average amount of contribution to the revenue from TEA by each individual of the population was 3*s.* 7⅝*d.* under the higher duty, and 3*s.* 9⅛*d.* under the lower.

As regards COFFEE, although the differential duties which prevailed in 1841 have been abolished, and the general rate has been reduced 50 per cent., the duty is still so heavy, that the tendency has been toward a diminution—a circumstance to be also attributed partly to the use of chicory.

As regards SUGAR, the revenue in 1861 has been nearly 20 per cent. in excess of that collected in 1841. The individual consumption has not materially increased since 1859.

In WINE the result of the lowering of the duty (which commenced in February, 1860, to 3*s*. per gallon) is not so satisfactory as might have been expected, and the belief is, that the true advantages of the change will never be realised so long as the practice is continued of charging 2*s*. 5*d*. per gallon on Wines imported in bottle.

That is the opinion in the Trade; but those who take the higher view say that, the true advantages will never be realised until the duty be wholly abolished.

On TOBACCO the rates of duty were the same in each of the years specified, but the rate of consumption per head was last year nearly 50 per cent. in excess of the rate in 1841. It is a singular fact, that while each individual in the country contributes only 10*d*. per head to the revenue in the shape of Wine duty, the amount contributed for the use of Tobacco is 3*s*. 10*d*.

From these few remarks, it will be seen how great and unnecessary is the deprivation and suffering of all classes in this country, and of the working classes especially, in this one important article, Sugar; and how great and immediate would be the relief afforded to them, if one low fixed duty were substituted in the place of the present differential duties, until all duties were abolished.

It will also be seen, from the results of experience, here shortly stated, that an extremely small fixed duty would, in the first year, produce a larger revenue than that now obtained from the differential duty between the two lowest in the four duties of the existing scale,—and on which two lowest duties the whole of the Sugar Trade, of this country, may be said to turn.

To some who are watching, with a merely scientific eye, the proceedings of our present enlightened Chancellor of the Exchequer, it would be gratifying to their curiosity to know on what grounds he can justify his resistance to this very simple and clear demand.

He will not venture to say that there would be a loss to the Public Revenue, for it is manifest that there would be a great gain, the question then being, not about the six millions from the Sugar Duties, but only about the Forty Thousand, or under, from the differential duties.

He will not say that, the Sugar Duty does not fall with unequal weight and hardship on the Working Classes,—because he has already admitted that it does.

He is not one to express himself indifferent to the personal comfort and welfare of the Working Classes.

He knows that they are the grocers' best customers.

Deduct all that men of the humbler classes have done for England, in the way of Inventions only, and where would she have been but for them?

He knows the true answer to this.

What is it then, that our Right Honorable Chancellor of the Exchequer does not know?—Or, what is it that he is doubting about?

He cannot doubt that it is most desirable, that the Working Classes should be abundantly supplied with all the necessaries of life,—that they should be enabled to rent comfortable dwellings,—to clothe themselves decently,—and to educate their children creditably.

For all these purposes their earnings should be sufficient; and the great question arises:—How is this to be secured?

Under the free competition system which prevails, the master's interest is,—to get the work done for as little as possible, compared with other employers, in order that his profits may be the larger; whilst it is the workman's interest to obtain as high wages as possible, in order that his command may be the greater over the commodities of life. How are these interests—conflicting, as they are improperly called—to be preserved?—how made to work together harmoniously?

The true answer, it is humbly but confidently submitted, is to be found in these pages. To make this answer practically true, all that is required is, to carry out, earnestly and faithfully, the few and simple principles here laid down;—to believe it true, and then to prove it to be so;—to act towards the working-classes, of all denominations, as if what is here said of them were true beyond dispute;—to regard them as the first to be cared for, not the last;—to trust them, and to try them;—to trust a principle which we may know to be true,—to be applicable to all persons, in all circumstances, and in all times;—and to rely upon it;—to act under a sense of justice;—to trust the old saying,—'Honesty is the best policy;' though, as it has been said:—'He who acts on that principle is not an honest man.'

It was Arnold's view of life that, "the highest virtue of which a man is capable, and the last at which he arrives, is,—a sense of justice." Let it be the last.

Belief is the first step to attainment. But it is not enough to believe what you maintain: you must maintain what you believe; and maintain it because you believe it. But, as any one may bring himself to believe almost anything that he is inclined to believe, it makes all the difference whether we *begin*, or *end* with the inquiry,—"What is truth?" To wish to find truth on one side rather than the other, is natural, and often wise; but to *think that* true which we wish, and merely *because* we wish it, is always an undeniable folly. "It is one thing to *wish* to have truth on our side, and another thing to wish to be on the side of truth."

Some persons follow the dictates of their conscience, only in the sense in which a coachman may be said to follow the horses he is driving.

An aversion to doubt—a dislike of having the judgment kept in suspense, combined with indolence in in-

vestigation, induces the great mass of mankind to *make up their* minds on a variety of points, not one of which they have been enabled thoroughly to examine.

A choice of difficulties seems a necessary condition of human affairs. For it perpetually happens, in every department of life, that there will be objections, greater or less, to each of any possible causes before us. And yet, many intelligent persons sit down quite satisfied that they have proved their point when they have shown the grave objections to one course, without at all noticing those that lie against all the others; and without perceiving that they are in the condition alluded to in the Roman proverb, "*Lupum auribus teneo*"—when it is difficult and hazardous to keep one's hold, and eminently hazardous to let it go.

Suspension of judgment, so often urged, as long as there are reasons on both sides, is practically,—since there always will be reasons on both reasons,—the very same thing as a *decision in favor of the existing state* of things,—"Not to resolve is to resolve."

Disbelieving is believing; since to disbelieve any assertion is to believe its contradictory; and whoever does this on slight grounds is both credulous and incredulous; these being, in fact, one and the same habit of mind.

One may often hear it observed that, there is a *great deal of truth* in what such a man has said; *i. e.* perhaps, it is *all* true,—except one essential point.

Amongst these remarks are introduced some of the aphorisms so richly scattered through the writings of Archbishop Whately. The application will be plain to many who read them. Where they do not apply, they may be passed over.

But after all that can be said on a subject so extensive as this is,—so deeply affecting the interests of all people,—so open to varying opinions, swayed by so many varying and interested motives, and long esta-

blished prejudices,—there will be much remaining to be said, much which might have been said much better, and much which might better have been left unsaid. Arguments well addressed, and with good effect, to one class, will be ill suited to, and will produce an opposite effect, with another class. The best way of proceeding, for arriving at a conclusion satisfactory to the honest-minded inquirer, is to reject all arguments and reasoning which do not go directly to his own honest judgment; but never to allow the judgment to be prejudiced against the subject by any errors, or supposed errors, of the advocate. The case may be very good, though the advocacy be very bad. The opinion of the unknown advocate can never be of even the smallest consequence; —but the question itself is of the most momentous importance, not only to every individual inhabitant of this country, but also of every other civilized country of the world.

If there be anything in the views put forth in these pages, which seems to be inconsistent with a well known and acknowledged principle, that ought to make the reader pause before he gives his assent.

But if his assent be withheld only because these views are new and untried, that is the same thing as saying that his assent shall never be given; for, then, whatever is new and untried must for ever remain so, as it can never be brought to the test of experience.

That is a very good rule in the case of anything new which is not reconcileable with sound principle; but there are many new questions which can be more safely determined by *principle*, than by what is understood by the term, *experience*, and the present question seems to be one of these.

The views here presented, though never yet carried out in practice, rest upon principles well known, and supported by authority, admitted by all to be the high-

est which the world has yet produced, and to be perfectly consistent with all that we know on the subject from experience.

We are confirmed in these views by those three great men, Turgot, Adam Smith, and Bastiat,—whose enlightened minds have thrown such light upon the subject for our guidance, that what was previously as obscure as night, is now as clear as the sun at noonday.

The enlightened Government that would carry out these views, might be sure of their ground, without further experience.

The wise caution, in the beautiful couplet of Dean Trench, would have been observed :—

> "Wouldst thou go forth to bless be sure of thine own ground,
> Fix well thy centre first, then draw thy circles round."

No ground can be more sure for the foundation of any scheme of human government, than that which is confirmed by Reason, in conformity with the Divine Will, as far as it has been revealed to us, nor can experience be wanted to make that ground more sure.

Human legislation seldom proceeds on ground so sure as this is.

In these pages there has been occasional reference to providential laws, or the laws of Nature; also to a rational, or common sense, view of questions concerning human affairs on which we are called upon daily to determine according to our imperfect judgment.

Many, indeed most persons, deny that there is any *revealed* law of God for the regulation of human government; and they regard with something like derision any appeal, on these occasions, to providential laws, or the laws of Nature, and to what is called, a *rational* or common sense.

[illegible]t, in this opinion the Writer does not concur.

No doubt, *common sense* is a very yielding and accommodating phrase, which has been moulded and fitted for the purpose of expressing the hypothesis in question. In all their decisions, mankind in general claim to be determined by *common sense.*

This impression is so common that, we are led to the conclusion that God has not committed us to the guidance of our slow and fallible *reason,* but has endowed us with *feelings,* which warn us at every step; and pursue us with their importunate reproaches when we wander from the path of our duties.

These simple or inscrutable feelings have been likened to the outward senses, and styled the *moral sense.* The objects or appearances which properly are perceived through the senses, are perceived immediately, or without any perceptible inference of the understanding. According to the hypothesis here briefly stated or suggested, there is always an inference of the understanding, though the inference is short and inevitable. From feelings which arise within us when we think of certain actions, we infer that those actions are enjoined or forbidden by the Deity.

The laws of God, to which these feelings are the index, are not unfrequently named *innate practical principles:* or they are said to be written on our hearts by the finger of their great Author, in broad and indelible characters.

These feelings, on ordinary occasions, are expressed by the term, *common sense:* considered as affecting the soul, when the man thinks especially of *his own* conduct, these sentiments, feelings, or emotions, are frequently styled his *conscience.*

The laws of God, therefore, which are not revealed or promulged, must be gathered by man from the goodness of God, and from the tendencies of human actions; and the feelings or moral sense with which He has endowed

us must be our index or guide to His unrevealed law. In other words, the benevolence of God, with the principle of general utility, is our only index or guide to His unrevealed law.

God designs the happiness of all His sentient creatures. Some human actions forward that benevolent purpose, or their tendencies are beneficent or useful. Other human actions are adverse to that purpose, or their tendencies are mischievous or pernicious. The former, as promoting His purpose, God has enjoined. The latter, as opposed to His purpose, God has forbidden. He has given us the faculty of observing; of remembering; of reasoning: and by duly applying those faculties, we may collect the tendencies of our actions. Knowing the tendencies of our actions, and knowing His benevolent purpose, we know His tacit commands.

Inasmuch as the goodness of God is boundless and impartial, He designs the greatest happiness of all His sentient creatures: He wills that the aggregate of their enjoyments shall find no nearer limit that that which is inevitably set to it by their finite and imperfect nature. From the probable effects of our actions on the greatest happiness of all, or from the tendencies of human actions to increase or diminish that aggregate, we may infer the laws which He has given, but has not expressed or revealed.

These laws are binding upon us (who have access to the truths of Revelation), in so far as the revealed law has left our duties undetermined. For, though his express declarations are the clearest evidence of His Will, we must look for many of the duties which God has imposed upon us, to the marks or signs of His pleasure, which are styled the *light of nature*. Paley and other divines have proved beyond a doubt, that it was not the purpose of Revelation to disclose the *whole* of these ties. Some we could not know, without the help of

Revelation; and these the revealed law has stated distinctly and precisely. The rest we may know, if we will, by the light of Nature or Reason; and these the revealed law supposes or assumes. It passes them over in silence, or with a brief and incidental notice.

If we do not read them in the light of Nature or Reason, we know no more of them than do those who are without the revealed law.

But we do not therefore escape the consequences of our wilful ignorance.

The laws of Nature work unerringly, whether we regard them or not. Our disregard does not disturb their harmony, though our human laws can never work harmoniously for us, if not in conformity with the laws of Nature.

The laws of Nature were made to work equal good to all. This we may clearly see in that which is revealed, and by this light we may see our way in that which is unrevealed.

We may see that human laws, for the most part, are not made on any such just and beneficent principle: but quite the contrary. Our human laws are often made on the very opposite principle:—consequently they produce effects the very opposite of those intended. They do not work, and were not intended to work, equal good to all: therefore they work injury to all. There is no harmony, because there is no justice, no reason, no moral sense, no common sense,—nothing to satisfy that innate feeling which is common to all.

The common feelings of human nature revolt at such injustice; and, until harmony be established between human laws, and natural or providential laws, there can be no peace among men, no common bond for their mutual welfare.

It is by this antagonism against the evil of oppression, that a righteous rule will be established,—if ev-

—on this earth; and then, but not till then, it will be clearly seen that,—"THE WELFARE OF THE PEOPLE IS THE HIGHEST LAW."

But these are abstruse researches, and the bulk of mankind can have little opportunity for comparing the respective merits of the varying opinions, and determining for themselves where the truth lies in such inquiries as these.

Anxiously busied with the means of earning a precarious livelihood, they are debarred from every opportunity of carefully surveying the *evidence* of facts, and following the sound reasoning therefrom: whilst every *authority*, whereon they may hang their faith, wants that mark of trust-worthiness which justifies reliance on authority.

The bulk of the people,—it must be admitted,—are utterly incompetent to follow out this inquiry to the just conclusion. Moreover, they have little faith in those who profess to make the inquiry for them. They know, because they feel, that things are not as they ought to be, but for anything beyond that they know their own utter incompetency, and in all the political changes which pass before them, they find no material change for their own benefit.

There is, therefore, not much cause for wonder that the People manifest but little confidence in any Government, and but little interest in the question of Taxation, in comparison with its deep importance to their own welfare. Nor can the bulk of the community ever be made acquainted with more than a few of the most prominent facts, calculated to strike home; and such facts must be calculated to appeal more to their feelings, than to their understandings.

Herein lies the difficulty.

To address arguments to any Government, in this or ther country, in support of such a Scheme as this,

can never be anything more than an idle waste of words.

To look for the active support of the bulk of an ignorant community, in such a question as this, is equally hopeless.

But there is another course open, and to that we would now direct attention.

To a certain but narrow extent, the People may be instructed on this question. But, on such a question as this, the bulk of the People will always be very ignorant. On this question, the highest and the most educated are almost as ignorant as the lowest and the least instructed. They all want to be taught, and to a certain but narrow extent, they all may be taught. They may be taught a few primary principles, from a few well selected, and well known facts. From these facts the bulk of the People may be made to see that they are unfairly treated, and that, *through them*, all are really injured. They may be made to see and to understand that, the present system was *ingeniously* contrived for the purpose of serving a small class of the community, at the expense of a large class;—how this system has always worked, and always must work, to the injury of all classes;—that to this system is mainly attributable the depressed state of all the laboring classes, particularly the agricultural laborers,—the deprivations and sufferings of the poor,—and their consequent guilt and wretchedness.

They may be made to see and understand all this, and how the greater part of this may be easily removed and prevented.

When they do see and understand this,—but not before—it may be confidently assumed that, they will be interested in this inquiry, and eager to know the remedy.

The remedy being very simple, and in their own power, they will soon see how to use it.

They will see that they must be represented in the

Council of the Nation by those who will really represent the true interests of the Nation; and they must unite together with a steadfast will and a firm resolve to oppose the admission into Parliament of any representative of the People who has not previously pledged himself to support, at least, the *principle* of this Scheme of Taxation, for Justice to the People, and for the National Prosperity.

To carry out this teaching and organization of the People, a large fund will be required. This must be raised by a National Subscription, to be entitled:—'THE NATIONAL FINANCIAL REFORM FUND.'

It will then be a reasonable hope,—when the Merchants of Liverpool have put forth a PRACTICAL SCHEME, which they are prepared to maintain and defend against all enemies,—that every Merchant, Manufacturer, and Trader in the Kingdom,—when he understands that Scheme, and sees clearly the great benefit which he, *individually*, must derive from it,—will assist liberally, according to his means, for bringing it into practice; and it will not be unreasonable to hope that, a fund of £100,000 will soon be raised for such a purpose, that purpose being practically,—to leave the laborer in the full and free possession of the wages of his labor,—the Agriculturist, the Merchant, the Manufacturer, and the Trader in the full and free possession of the profits of their respective pursuits,—and the Professional Man in the full and free possession of his professional income,—thus leaving to industry and skill their full and fair reward, and to Capital its full and fair return,—and thus tending to that great and holy end: "THE REALIZATION OF THE UNITY OF MANKIND."

The Author of "The People's Blue Book" will be found in his proper place in the List,—but with his vizor down,—at least, until the battle be over and won;—and that will depend on the Merchants of Liverpool,

who were the first to come forward, as the champions, in this trial for truth and justice, and who must be the leaders of the People for their own and the Nation's welfare.

As leaders, the Merchants of Liverpool have taken the first step.

It now remains for them to lead the People on to Victory.

But, to have the People with them, the People must clearly understand the cause in which they are engaged —what they are fighting for—and how the battle is to be fought, and won.

By these means only will it ever be won, and it will be well and cheaply won for the Merchants, Manufacturers and Tradesmen of this great Commercial Nation, at the cost of £100,000. Nor will the great Land-Owners, Capitalists, and Professional Men, be less gainers, though they will, probably, be less helpers.

And now, to bring to a conclusion these 'Concluding Observations,' which commenced with the commencement of Bastiat's 'Concluding Observations' to his 'Harmonies of Political Economy,' and shall conclude with the conclusion of his 'Address to the Youth of France.'

The Author could not find any words of his own half so appropriate as these are, for the expression of his feelings, not only to the Youth of England, but to all Englishmen;—to the whole People of this great United Kingdom.

He addresses them in the same words, because these were written for all mankind; because he entertains the same belief; and because his "judgment accords to them a deliberate assent."

"I shall esteem myself happy if this work, as you proceed in its perusal, should bring to your lips the consoling words, I BELIEVE,—words of a sweet-smelling

savor, which are at once a refuge and a force, which are said to remove mountains, and stand at the head of the Christian's Creed—I believe.

"I believe, not with a blind and submissive faith, for we are not concerned here with the mysteries of revelation, but with a rational and scientific faith, befitting things which are left to man's investigation.—I believe that, He who arranged the material universe has not withheld His regards from the arrangements of the social world.—I believe that, He has combined, and caused to move in harmony, free agents as well as inert molecules.—I believe that, His over-ruling Providence shines forth as strikingly, if not more so, in the laws to which He has subjected men's interests and men's wills, as in the laws which He has imposed on weight and velocity.—I believe that, everything in human society, even what is apparently injurious, is the cause of improvement and of progress.—I believe that, Evil tends to Good, and calls it forth, whilst Good cannot tend to Evil; whence it follows that Good must, in the end, predominate.—I believe that, the invincible social tendency is a constant approximation of men towards a common moral, intellectual, and physical level, with, at the same time, a progressive and indefinite elevation of that level.—I believe that, all that is necessary to the gradual and peaceful development of humanity is that its tendencies should not be disturbed, but have the liberty of their movements restored.—I believe these things, not because I desire them, not because they satisfy my heart, but because my judgment accords to them a deliberate assent."

"Ah! whenever you come to pronounce these words, —I Believe, you will be anxious to propagate your creed, and the social problem will soon be resolved, for, let them say what they will, it is not of difficult solution. Men's interests are harmonious,—the solution lies entirely in this one word—Liberty."

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THE END.

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